Growth and Change in the Mountain West

By Dr. Larry Swanson

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O'Connor Center for the Rocky Mountain West, The University of Montana

- Shifting Migration Patterns (movements of people to and from communities)
- Continuing Population Aging (Relatively "Old" population that will continue to age)
- Shifting Income Composition (Growth in Non-employment Income)
- Changing Geography of Economy (Much different economy than in the past)
- Newly Emerging Paradigm for Economic and Community Development
- Positioning Communities and Sub-regions for Future Prosperity

Even though most forces driving larger patterns of change in the economy and society are supra-community in nature, so much of what really counts in area economic and community vitality is within the reach of community leaders.

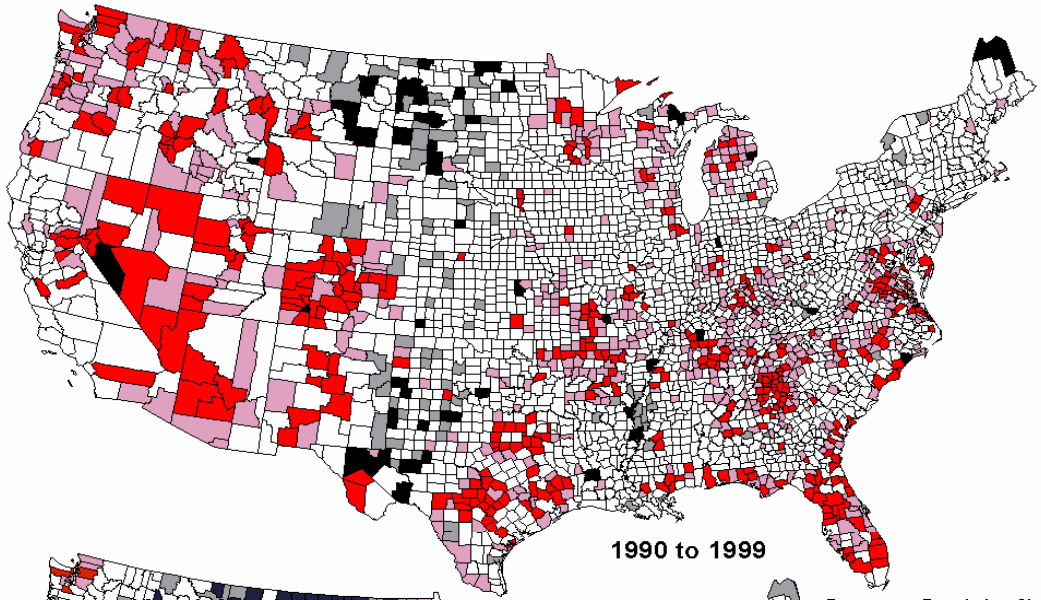
Presentation for the Clark Fork Basin Task Force

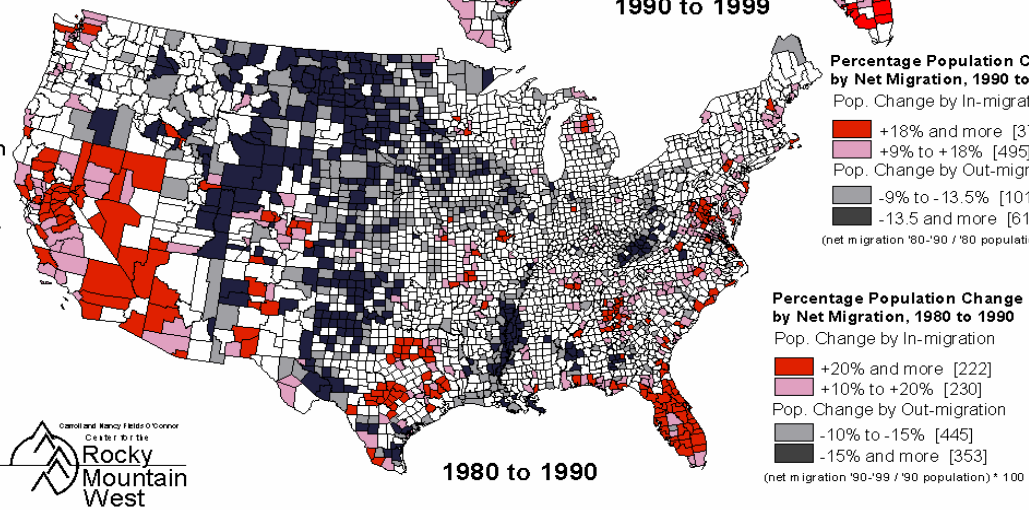
Nov. 9, 2006

Areas of Population Gain or Loss Through Net Migration

During the 1990s, there was a major sea change in population migration patterns in the United States. In previous decades, net in-migration was heavily focused in California in the west and Florida in the east, as well as in major metro areas, including Seattle, Denver, and Dallas. In the 1990s, net migration in the west largely subsided in California and spread to many other areas, including areas in and nearby the Rocky Mountains. In the process, many Rocky Mountain states became some of the fastest growing states in the nation. Net migration also spread into many non-metro areas, including non-metro areas of western Montana and Idaho.

Population growth through net migration also became increasingly associated with "high amenity" areas and places, including many areas nearby National Forest lands and National Park lands. Meanwhile, many areas in the northern Plains, including eastern Montana, continue to experience significant net "out-migration," with many more people moving from these areas than to these areas. The extent and magnitude of this region of net out-migration, however, are beginning to shrink. But, this is largely because the pace of out-migration from these areas had been so high in the past, and could not be indefinitely maintained.





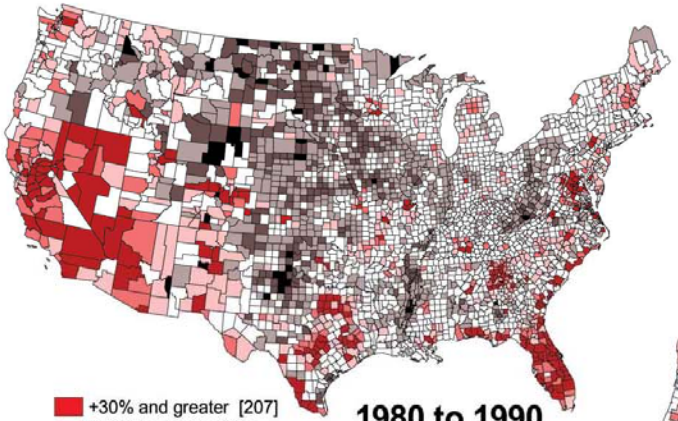
Source: U.S. Bureau of Census, Department of Commerce. CT7

Regional Economies Assessment Database (READ)
The University of Montana, 2003
Doug Lawrence '03

Carroll and Nancy Fields O'Connor Center for the Rocky Mountain West

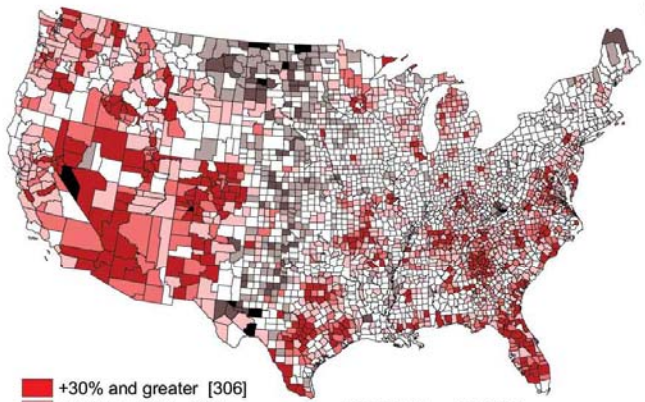
Areas of Rapid Growth or Decline

Regional patterns of population growth tend to shift from place to place from one time period to the next. The upper left map shows areas of fast growth (dark red) and moderately fast growth (medium red) during the decade of the '80s. Declining areas are shown in black and gray. Areas with little change in population are shown in white. The lower left map shows population growth and decline in the '90s and the map bellows shows growth and decline for the more recent 2000 to 2005 time period. Growth shifted into the Interior West in the '90s, but this has slowed in some areas more recently.



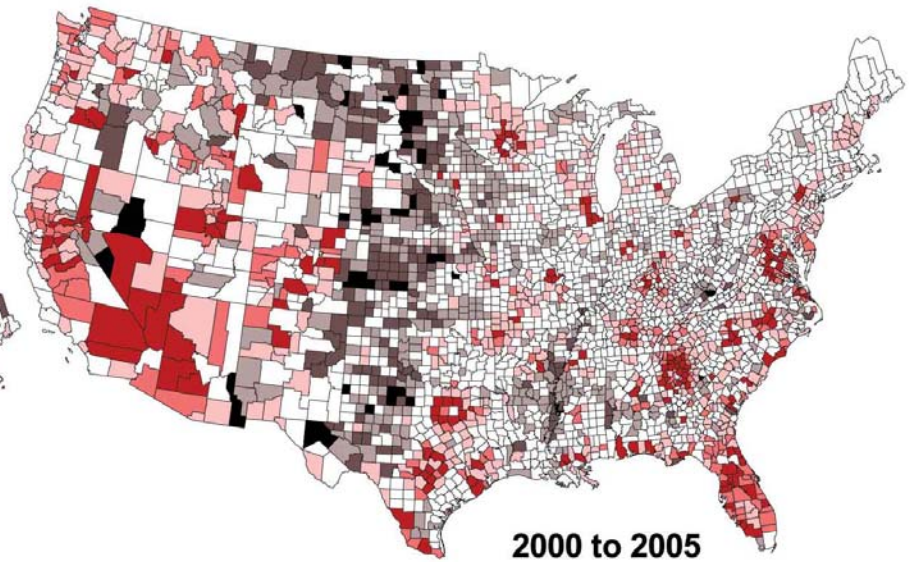
+30% and greater [207]
+20% to +30% [170]
+10% to +20% [299]
-4% to -12% [707]
-12% to -20% [244]
-20% and greater [36]

1980 to 1990



+30% and greater [306]
+20% to +30% [341]
+10% to +20% [728]
-4% to -12% [256]
-12% to -20% [62]
-20% and greater loss [14]

1990 to 2000



+15% and greater [182]
+10% to +15% [200]
+5% to +10% [523]
-2% to -6% [454]
-6% to -10% [159]
-10% and greater [47]

2000 to 2005

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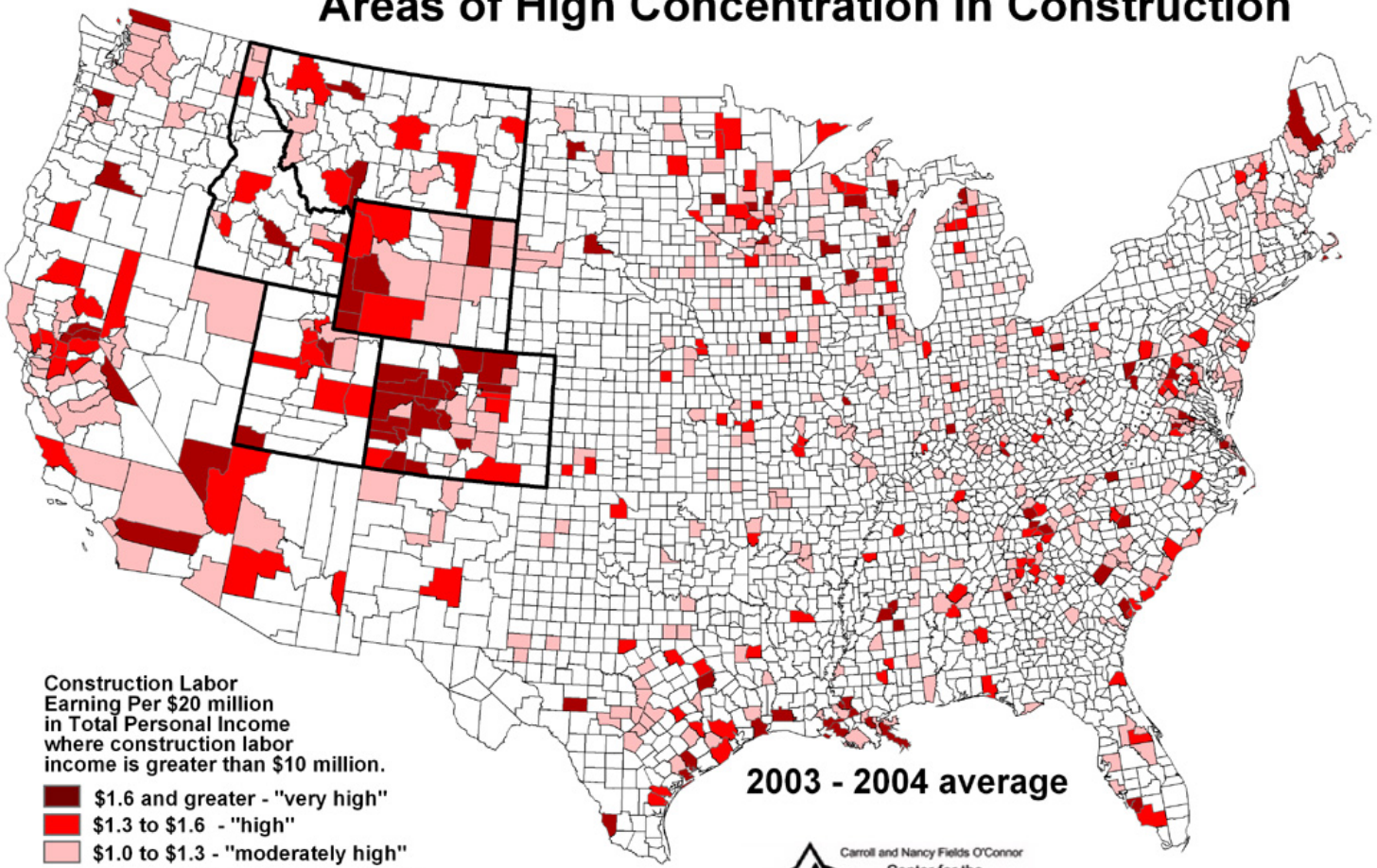
Regional Economies Assessment Database (READ)
The University of Montana, 2006

Source: Bureau of Census U.S. Dept. of Commerce.

N3c

Areas of High Concentration in Construction



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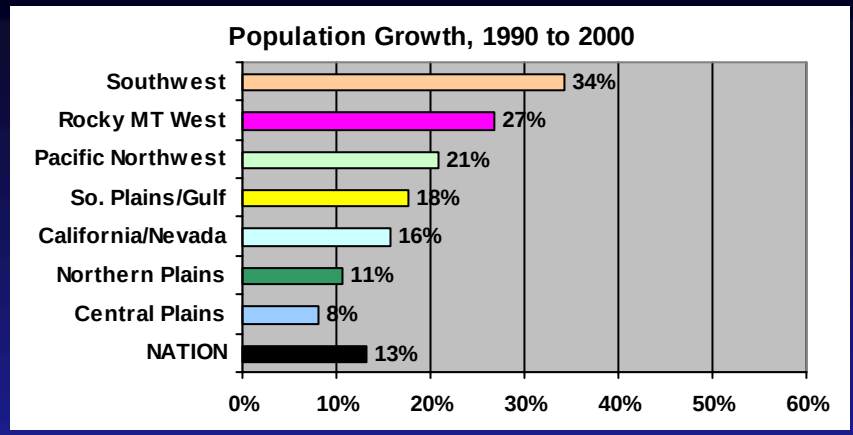
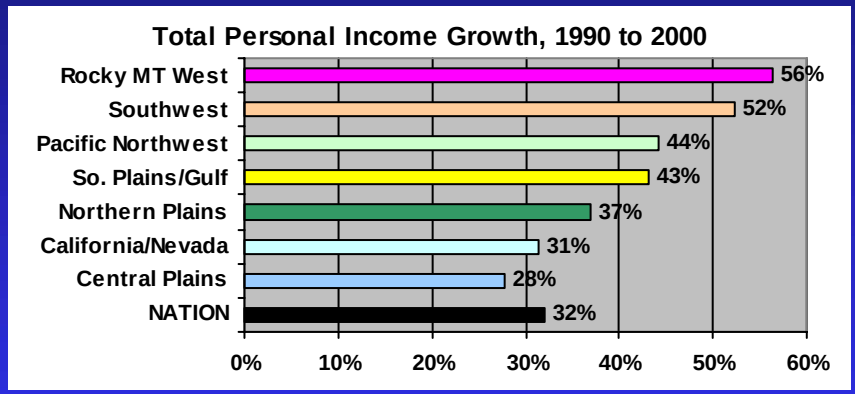
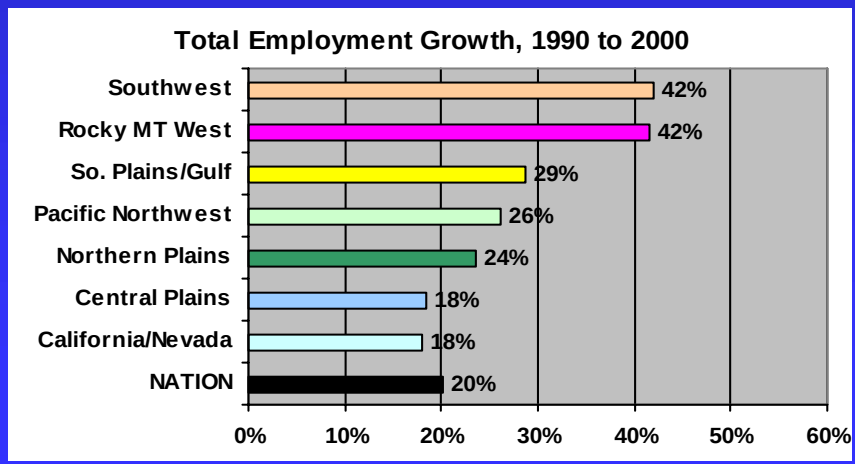
The Rocky Mountain West is one of the U.S.'s fastest growing regions

During the last decade, the Rocky Mountain West emerged one of the fastest-growing regions in the U.S. with one of the fastest growing regional economies. The Rockies also had one of the highest percentage increases in per capita income; up 23% in inflation-adjusted dollars. More recent estimates through 2003 show the Rockies continue to be fast-growing (5% population growth between 2000 and 2003 vs. 3.3% nationally – personal income growth of 5.5% vs. 3.9% nationally – and continuing rapid employment growth).



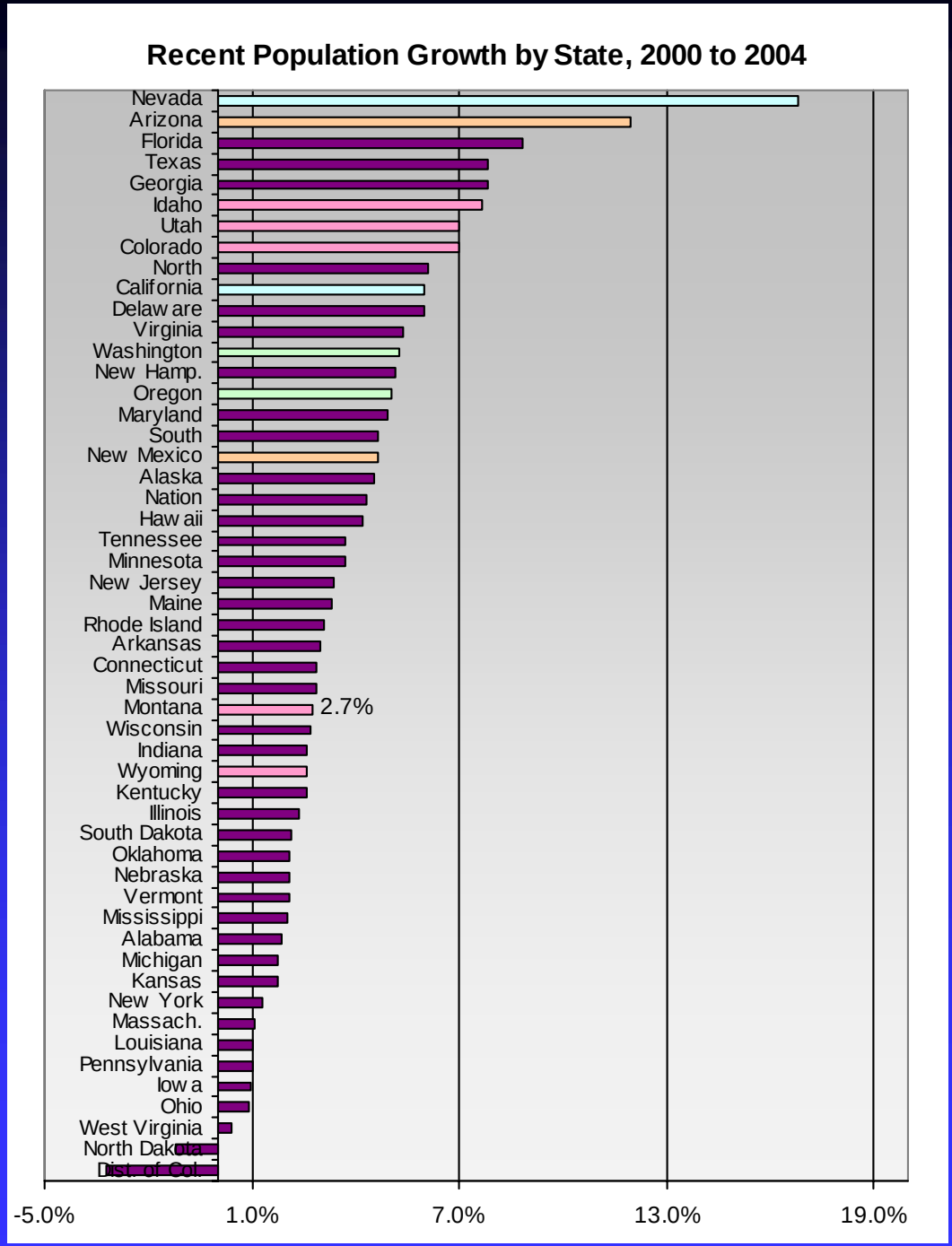




Recent Population Growth by U.S. State

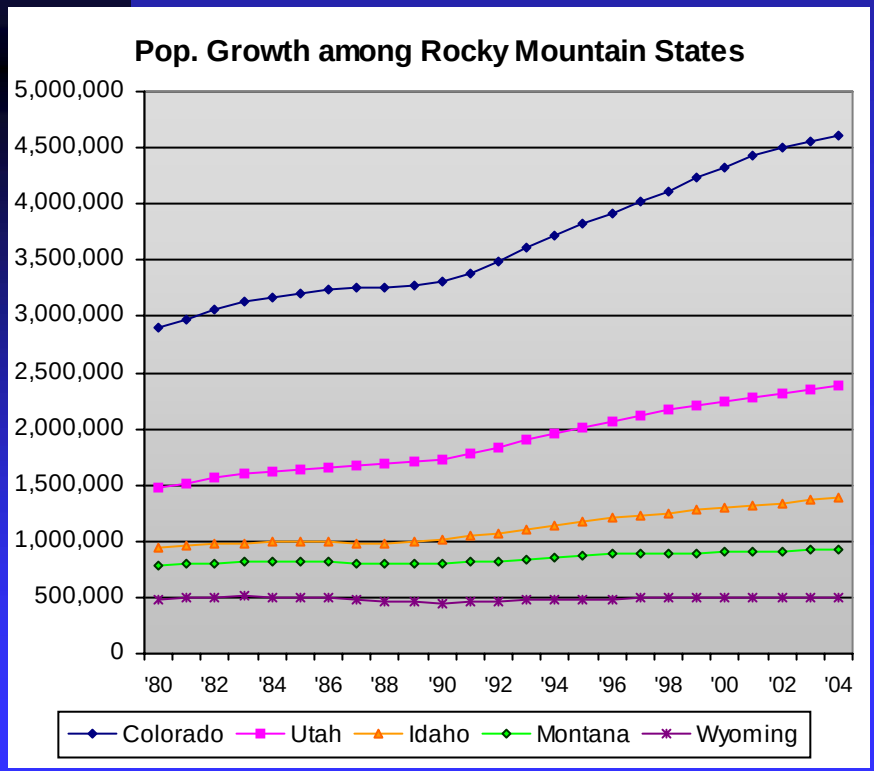
The chart shows percentage population growth by U.S. state for the period from 2000 to 2004. The nation's fastest growing state is Nevada, followed by Arizona and Florida. Growth in all of these states is spurred by heavy migration flows of older adults seeking warmer climates before and after they retire.

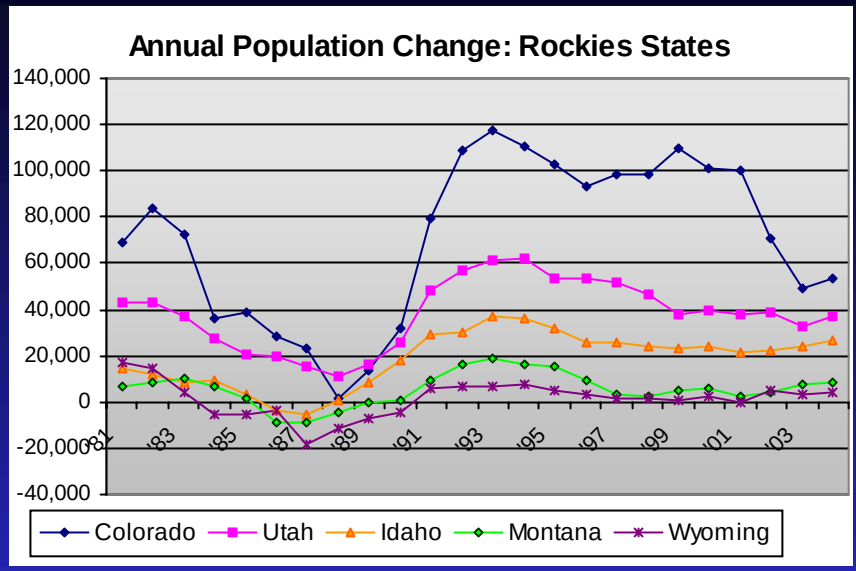
Growth rates of Rocky Mountain West states are shown in light violet colors. Idaho, Utah, and Colorado are all among the 10 fastest growing states. Montana is the 29th fastest growing state with growth of 2.7% over the four-year period. Wyoming is the 32nd fastest growing state.

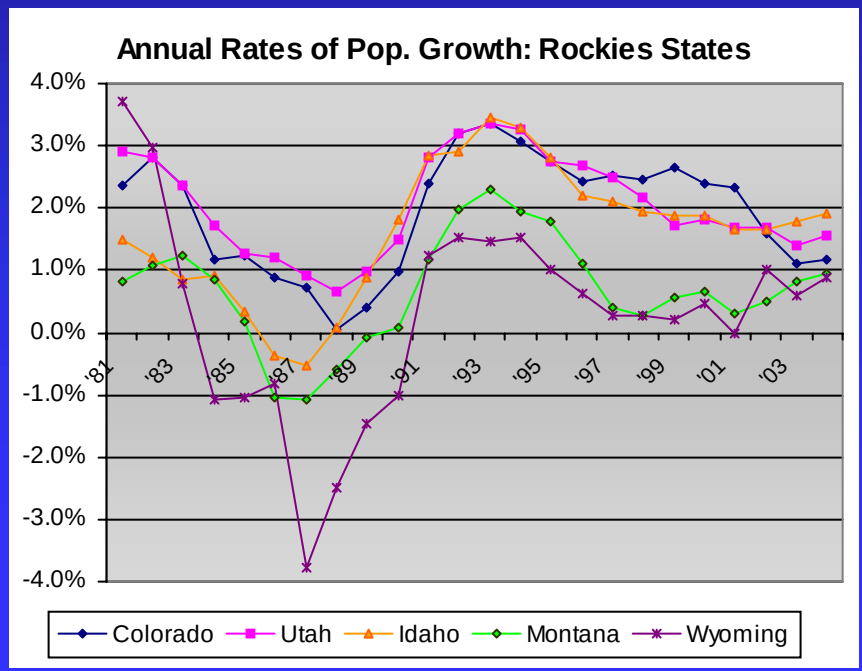


Population Growth among Rocky Mountain States

The chart below shows population levels over time of states in the region since 1980. Colorado has the largest population by far, followed by Utah, then Idaho. Montana and Wyoming have the smallest populations. The population of the five-state region grew from 6.6 million in 1980 to 7.3 million in 1990 and 9.3 million in 2000. The most recent estimates (2004) show continued growth to over 9.8 million. Annual growth is shown in the two charts at the right.



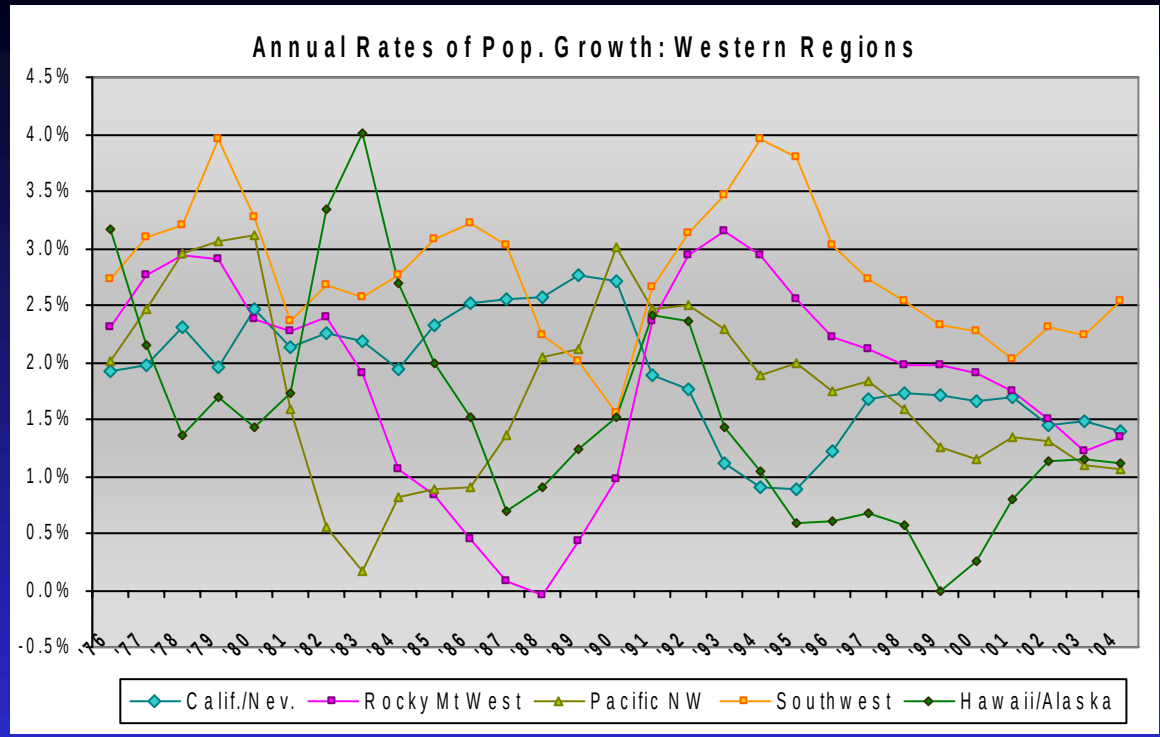


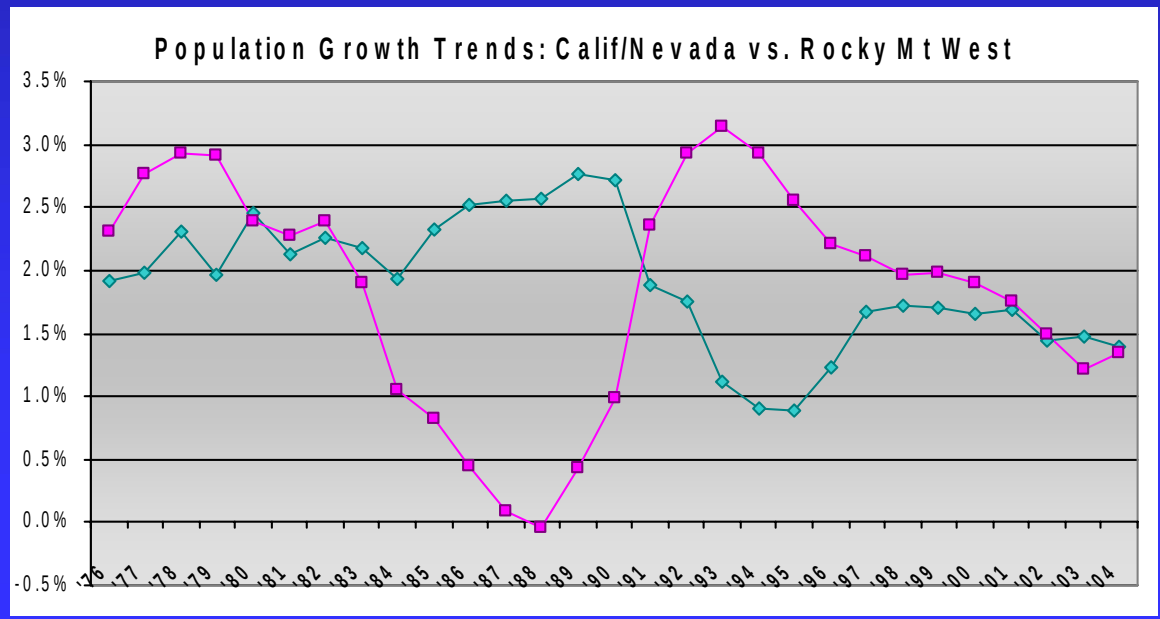


Comparisons of Annual Rates of Population Growth

Fluctuations in regional population trends can be viewed by examining annual population change in percentage terms over time. The upper chart shows annual growth for each Western region since the mid-'70s. The Pacific Northwest saw a precipitous fall in growth in the early '80s, with growth returning in 1984. The Rocky Mountain West saw a similar fall commencing in the early '80s but continuing until 1988.

California/Nevada had steady 2 to 2.7 percent population growth from the mid-'70s until 1990. The region's growth rate plunged in 1989 and continued falling until the mid-'90s. This plunge in annual growth in California may have acted to accelerate and sustain growth in other regions, including the Rocky Mountain West, as shown in the lower chart.





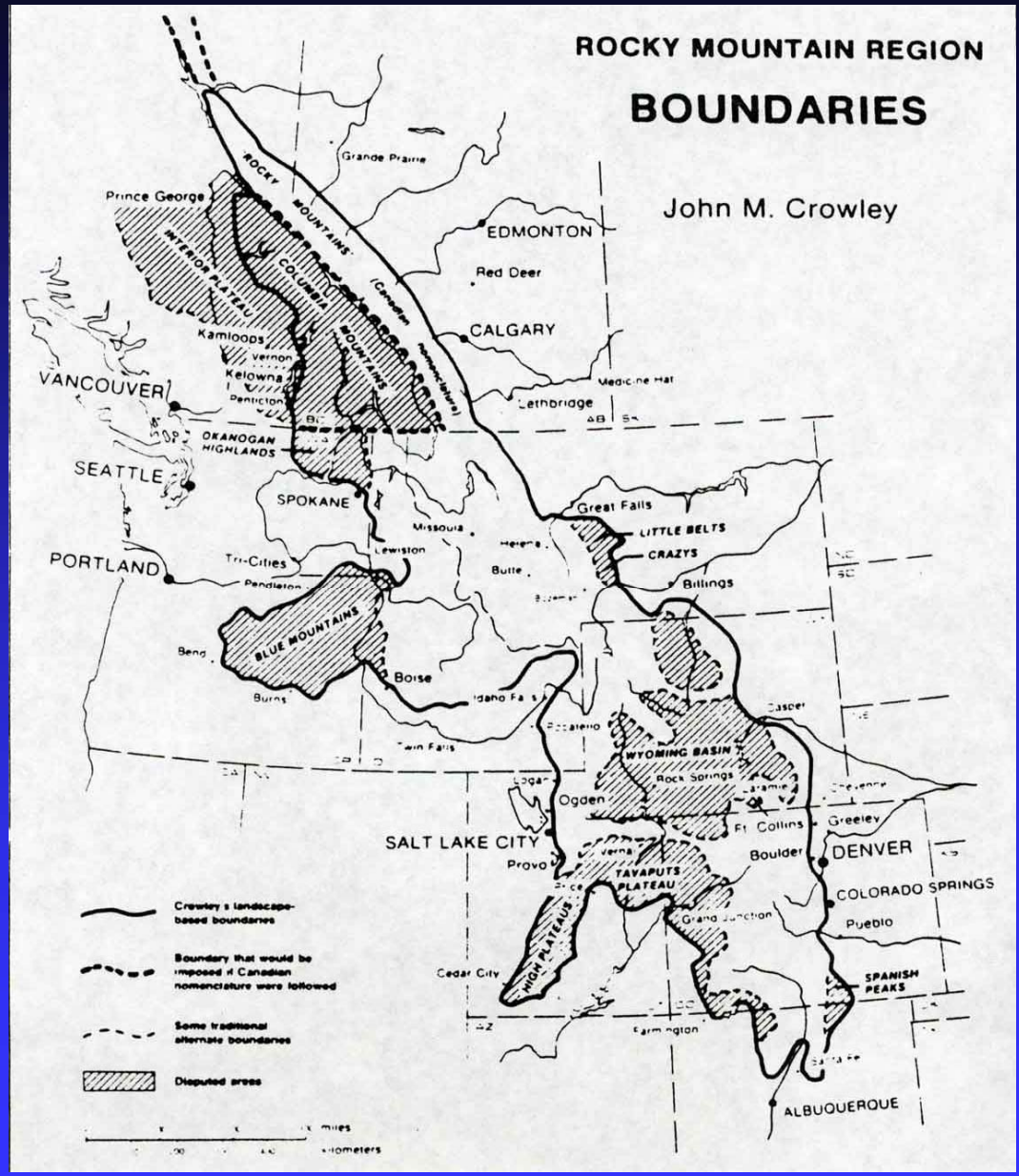
The North American Rocky Mountain West

Growth and change in the region's economy

Prepared by Dr. Larry Swanson
O'Connor Center for the Rocky Mountain West, U. of Montana

The Rocky Mountains are the "spine of North America," and extend from western Alberta and eastern British Columbia in Canada south through western Montana and Idaho and further south into portions of western Wyoming, Utah, Colorado, and New Mexico. The Rocky Mountains themselves define the region. And the "Rocky Mountain West" region expands out from these mountain ranges, with the region's bounds largely ending at points in all directions where the mountains themselves fade and disappear from the horizon.

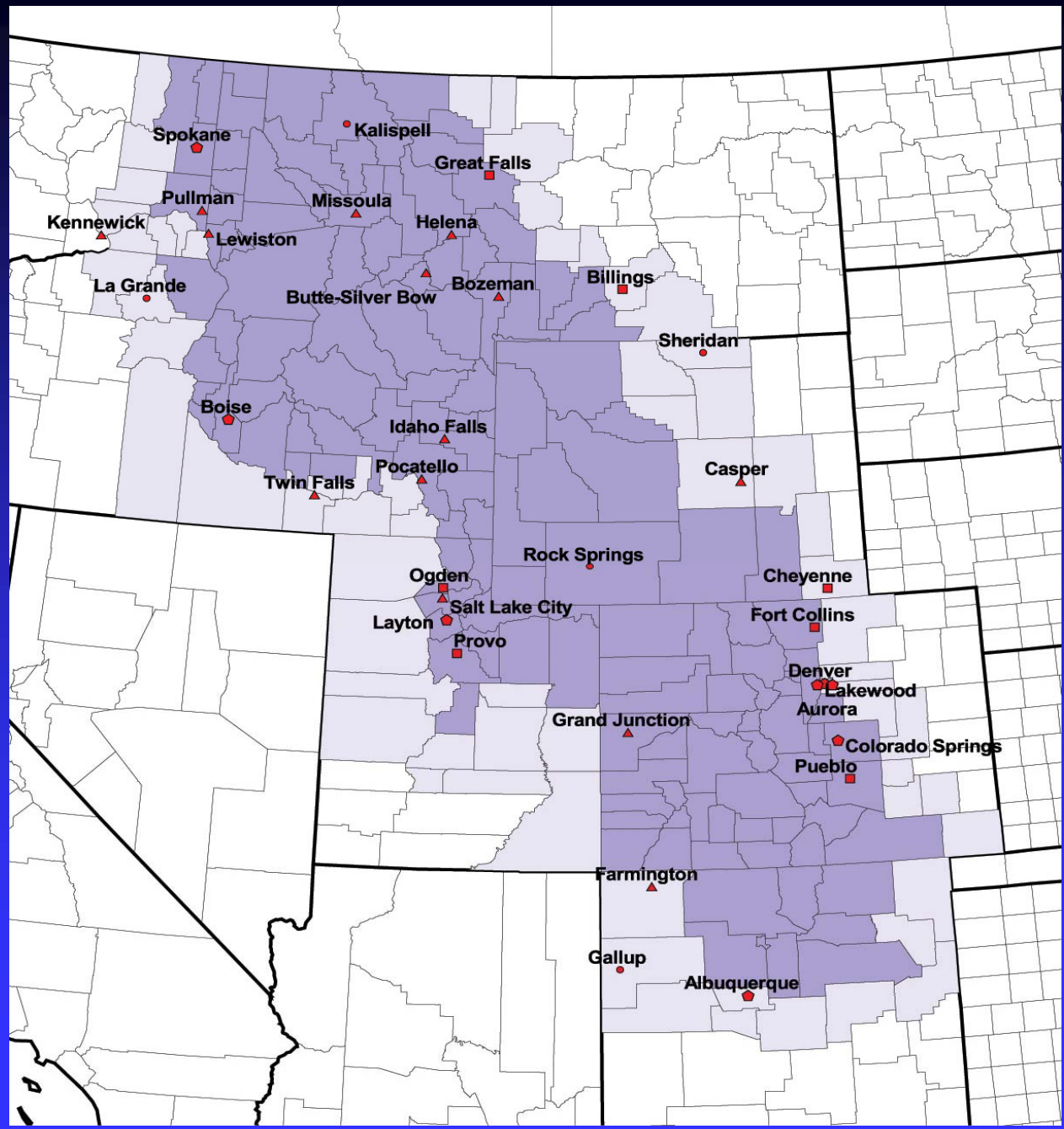
The American Rockies The American Rockies are largely contained within the five states of Colorado, Utah, Wyoming, Idaho, and Montana. The Census Bureau includes New Mexico, Arizona, and Nevada in its "Mountain Region" along with these five states. However, Arizona and New Mexico, while having mountains, are much different places culturally, racially, climactically, demographically, and economically. Most people residing in Nevada live next to the California border (Las Vegas and Reno) and it is much different that the Rockies.



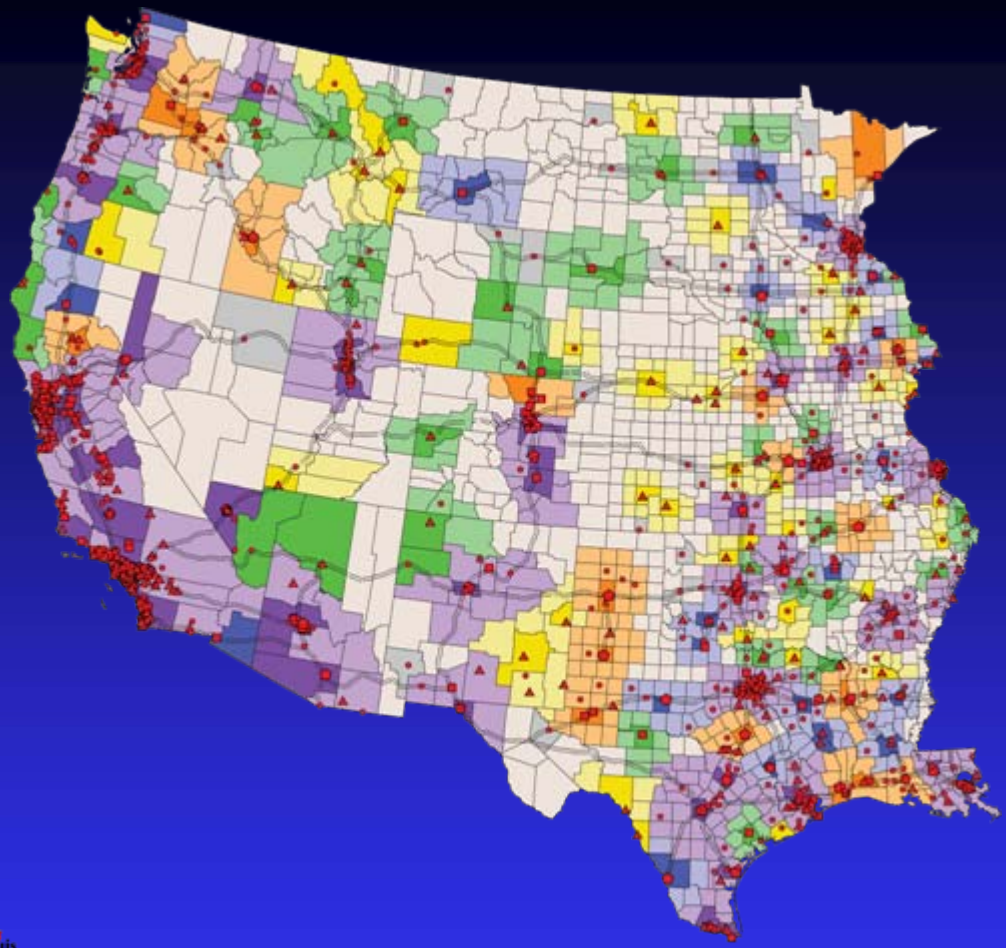
The Rocky Mountain West Region

There are about 11.5 million people now living in the 208 counties centered over the Rocky Mountains of the Interior West. There are 143 counties that are actually touched by various ranges of the Rockies (shown in blue) and another 65 counties just beyond these on the edges of the mountains (shown in light blue). The map also shows major cities contained in this region. Included among these are Denver, Salt Lake City, Albuquerque, Spokane, Colorado Springs, Boise, and Fort Collins.

In 1980 only about 7.8 million persons lived in this region defined by mountains. This grew slowly to 8.6 million in 1990. During the '90s the total population swelled to almost 11 million, before reaching 11.5 in 2004. This is one of the continent's fastest growing regions.



Major Population Centers or Region "Cores" and Closely-Linked Counties in the West



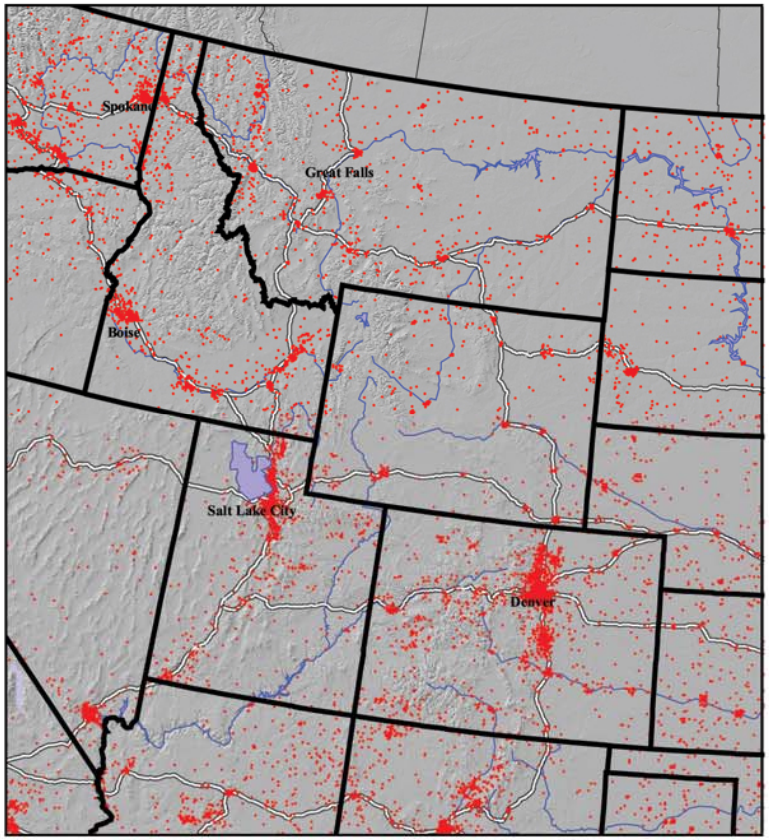
Read Multi-County Core-Based Regions

Major Metro Cores, 250,000+ Pop.	[61]
...adjacent and closely linked counties	[308]
2nd "Tier" Metro Cores of 160,000 to 250,000	[20]
...adjacent and closely linked counties	[136]
3rd "Tier" Metro Cores of 100,000 to 160,000	[24]
...adjacent and closely linked counties	[129]
Large Regional Trade Centers, 60,000 to 100,000	[35]
...adjacent and closely linked counties	[147]
Small Regional Trade Centers, 30,000 to 60,000 ~	[41]
...adjacent and closely linked counties	[147]
Isolated Rural Centers (Counties under 35,000 with places of 10,000 to 20,000 pop.)	[34]
Small Isolated Rural Counties Under 35,000 with no place of 10,000 pop.	[419]

Sub-State Economic Regions in the Rocky Mountain West

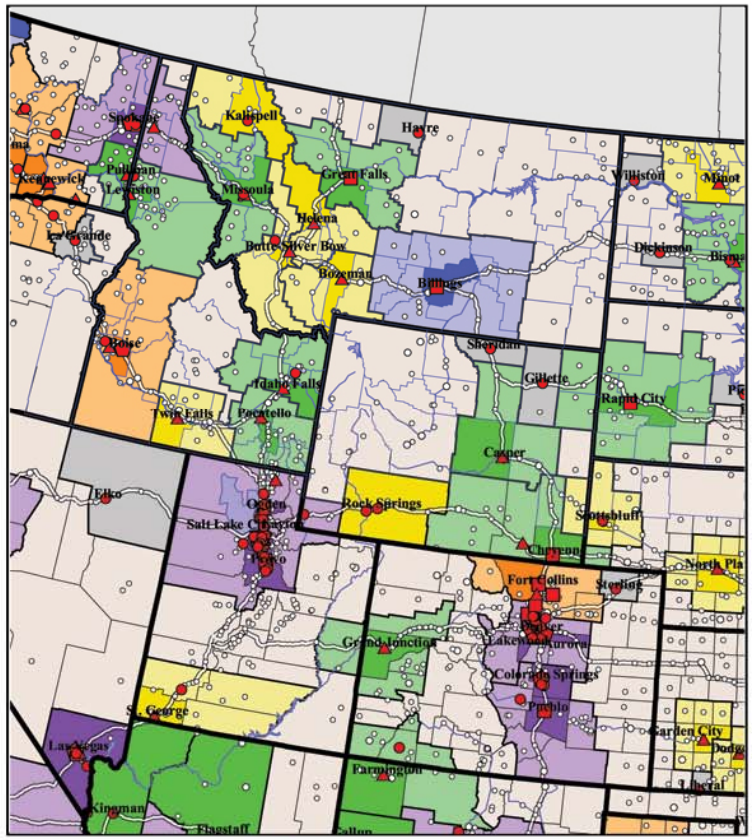
The Rocky Mountains stretch from northern New Mexico north to the Canadian provinces of Alberta and British Columbia. Much of Montana, Idaho, Wyoming, Utah, and Colorado is contained in the Rocky Mountain West. The map below shows region population distribution in 1990.

The map below shows how the region is generally spatially-organized around major population centers and into READ regions. There are four "major metro core" regions, with Denver and Salt Lake City the largest, followed by Colorado Springs/Pueblo and Spokane (shown in purple). There are two "2nd Tier" core regions (Boise and Fort Collins shown in orange). There is only one "3rd Tier" core region (Billings shown in blue). At lower levels, there are eight "large regional center" regions (green) and seven "small regional center" regions (yellow).



READ Multi-County City-Centered Economic Regions

- In the left map, each red dot represents 750 people.



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Regional Economies Assessment Database (READ)

The University of Montana
1997

"Hub" Places by Size

- 100,000 Population and Greater
- 50,000 to 100,000 Population
- 20,000 to 50,000 Population
- 10,000 to 20,000 Population

Other Incorporated Places

- 5,000 to 10,000 population
- 250 to 5,000 population
- Interstate Highways

[Number of counties]

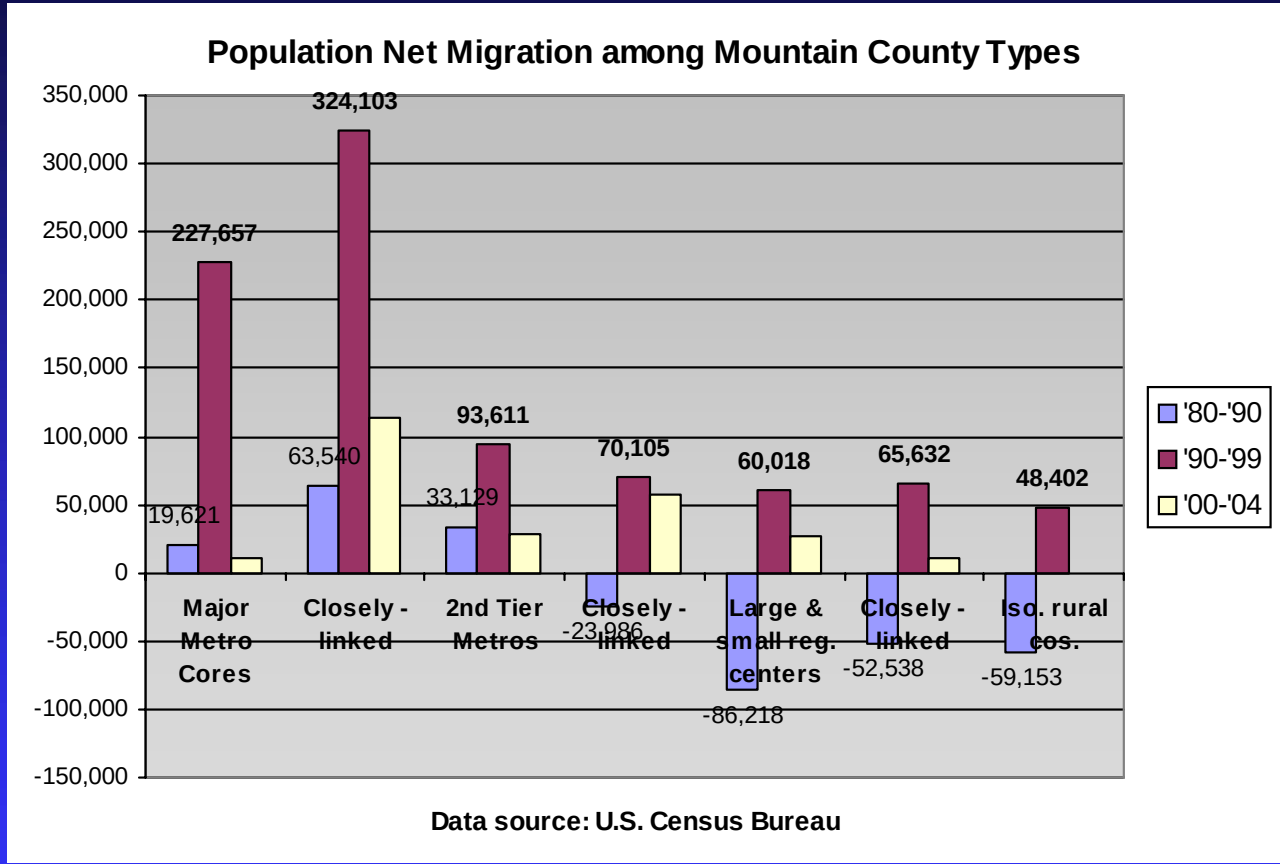
- Major Metro Cores, 250,000+ Pop. [9]
- ...adjacent and closely linked counties [28]
- 2nd "Tier" Metro Cores of 160,000 to 250,000 [2]
- ...adjacent and closely linked counties [12]
- 3rd "Tier" Metro Cores of 100,000 to 160,000 [1]
- ...adjacent and closely linked counties [9]
- Large Regional Trade Centers, 60,000 to 100,000 [8]
- ...adjacent and closely linked counties [40]
- Small Regional Trade Centers, 30,000 to 60,000 [7]
- ...adjacent and closely linked counties [18]
- Isolated Rural Centers (Counties under 35,000 [4] with places of 10,000 to 20,000 pop.)
- Small Isolated Rural Counties Under 35,000 [78] with no place of 10,000 pop.

M4

Distribution of Net In-Migration among Mountain Counties

The chart at the left shows how different types of areas within the mountain region were affected by the dramatic shift in net migration. Counties closely linked to the very largest metros had the biggest influx with net migration rising from 63,500 in the '80s to 324,000 in the '90s. These areas continue to see the most new migrants since the 2000 Census. Major metro core areas have the second greatest influx.

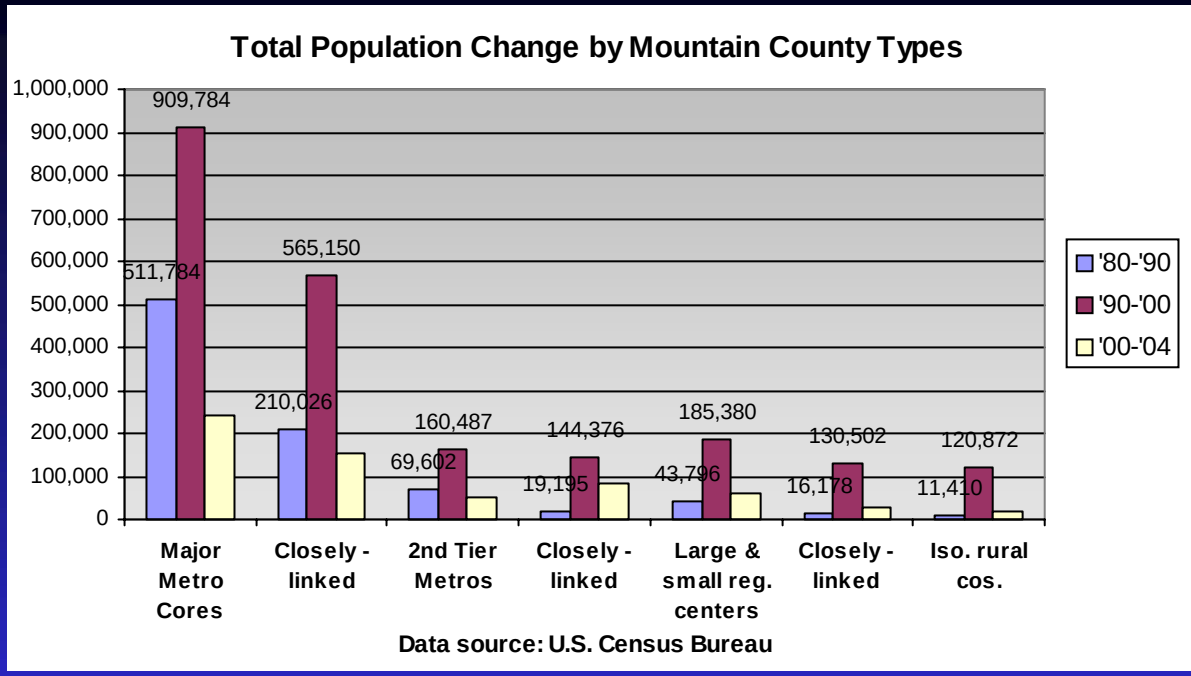
Among 2nd Tier metros (Boise and Ft. Collins), net migration rose substantially, from 33,000 in the '80s to 94,000 in the '90s. All other county types (2nd Tier closely linked, large & small regional centers, counties closely linked to these, and isolated rural areas) went from negative net migration in the '80s to significantly higher positive net migration in the '90s – a complete turnaround in previous trends.

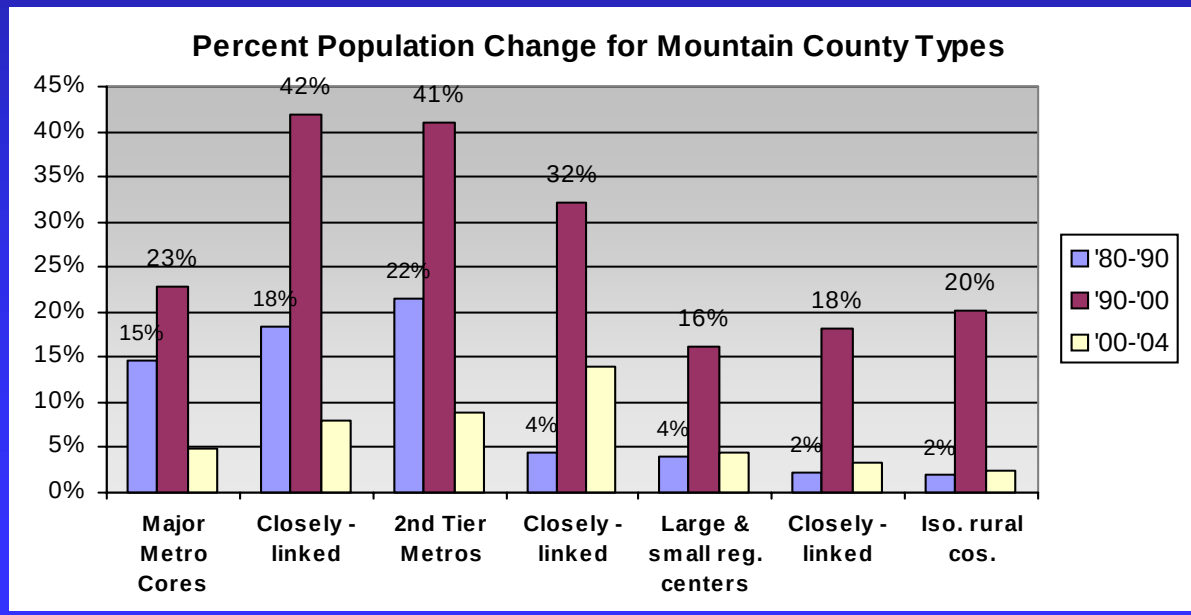


Distribution of Total Population Change among Mountain Counties

The total population of the 208-county area centered around the Rockies grew from 7.8 million persons in 1980 to 11.5 million in 2004. The charts show how this population growth is distributed among the different types of areas for three periods – 1980-90, 1990-2000 and 2000-04.

In absolute terms, the biggest population influx occurred in and around the region's very largest cities. But there was significant population growth across the full range of county types. The lower chart shows the impacts of population growth in percentage terms. Counties closely linked to the very largest metros and 2nd Tier core counties and their surrounding areas had the greatest percentage growth – 32 to 42%. Smaller centers have experienced significant increases in the rate of growth both in their core areas and outlying counties. And isolated rural areas are growing relatively fast as well.





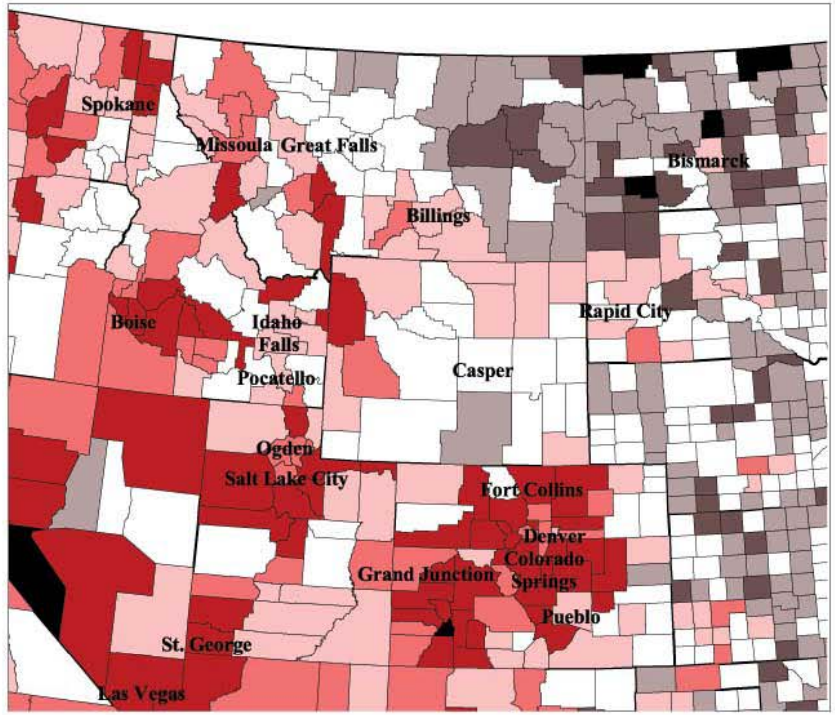
The Fast-growing Interior West

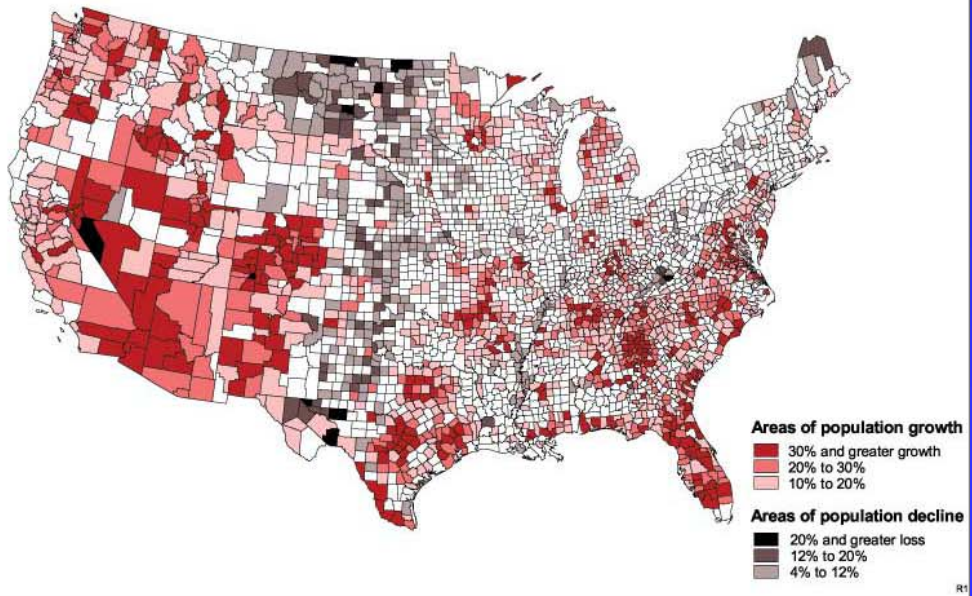
Population change across the region between 1990 and 2000 was heavily driven by migration patterns, including fairly heavy migration into many areas of the Rocky Mountain West region, continuing out-migration from many non-metro or rural areas of the Plains region, and a more mixed pattern along areas of the Central Front of the Rockies. The maps show areas of the nation and of the region where percentage population growth was the greatest - 30 percent and greater in the dark red areas and 20 to 30 percent in the medium read areas - and areas with the greatest losses in population - 20 percent and greater in the dark black areas and 12 to 20 percent losses in the medium gray ones. Areas shown in white (unscreened areas) are counties whose populations saw only a little or moderate changes during the last decade, falling somewhere between gains of 10 percent and losses of 4 percent.

As can be seen, population growth is heavily focused in many areas of the greater Interior West, stretching from western Montana, Idaho and eastern Washington in the north to Colorado, Utah and Nevada and further south into the larger Southwest region. Population decline remains focused in the Interior Plains region and is particularly heavy in the northern portion of the Plains region.

Along the Rockies Central Front, aside from the Colorado Front where growth remains high, the pattern is more mixed or less pronounced in one way of the other.

The Rocky Mountain Region is being referred to by some as the "Third Coast" in American population settlement and growth.



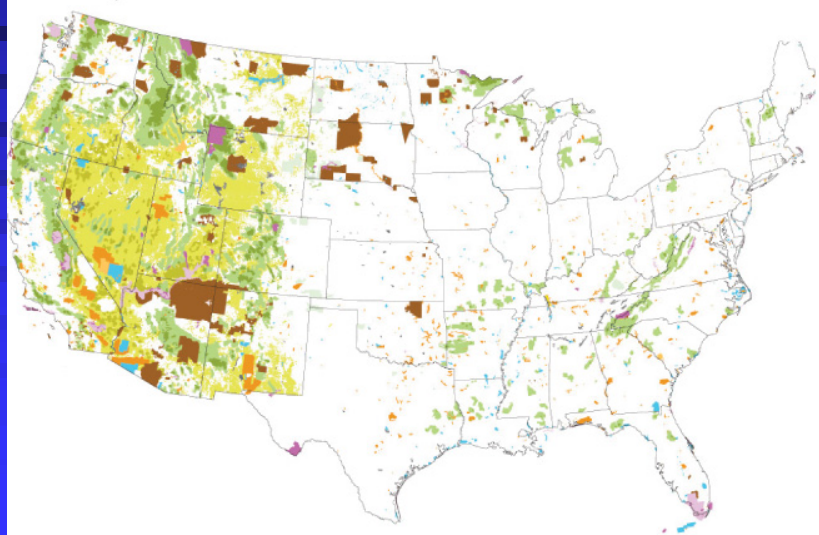


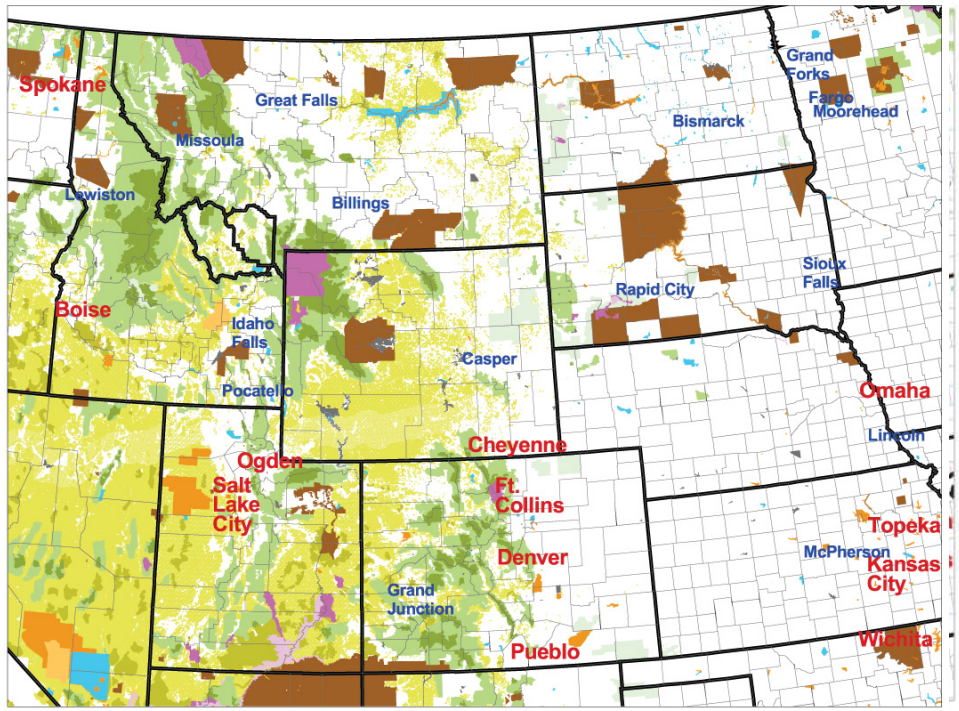
Carroll and Nancy Fields O'Connor Center for the Rocky Mountain West

Regional Economies Assessment Database (READ)
The University of Montana, 2004

Land in Public Ownership and Federal Management

The largest landowner in the United State is the American people through their national government. In the 48 contiguous states there are around 810,000 square miles of land under some type of federal agency administration and management. Over 90 percent of these lands, or nearly 714,000 square miles, are in the 22 contiguous western states largely west of the Mississippi River, with the greatest concentrations in the Interior West. In the 8-state region, these lands are most heavily focused in the Western Mountain region, with large concentrations of national forest lands, BLM lands, and several major national parks. The 8-state region has several large Indian reservations – most in the region's eastern and central portions. In the last decade, net migration flows have turned in the direction of these lands.





Federal Lands

- Bureau of Indian Affairs
- Bureau of Land Management (Public Domain)
- BLM Wilderness, Wilderness Study, N. Mon. & Other
- Department of Defense
- Department of Energy
- U.S. Forest Service National Forests
- Forest Service Wilderness & Wilderness Study Areas
- Forest Service, Other Lands
- U.S. Fish and Wildlife Service
- National Park Service National Parks
- NPS Wilderness, Wilderness Study, Preserves, Recreation Areas, etc
- NPS National Monuments, Historic Sites, Battlefields, etc
- Other agencies

Source: U.S. Geological Survey, 1:2,000,000 - Scale Digital Line Graph Data. National Atlas of the U.S.

Carroll and Nancy Fields O'Connor Center for the Rocky Mountain West

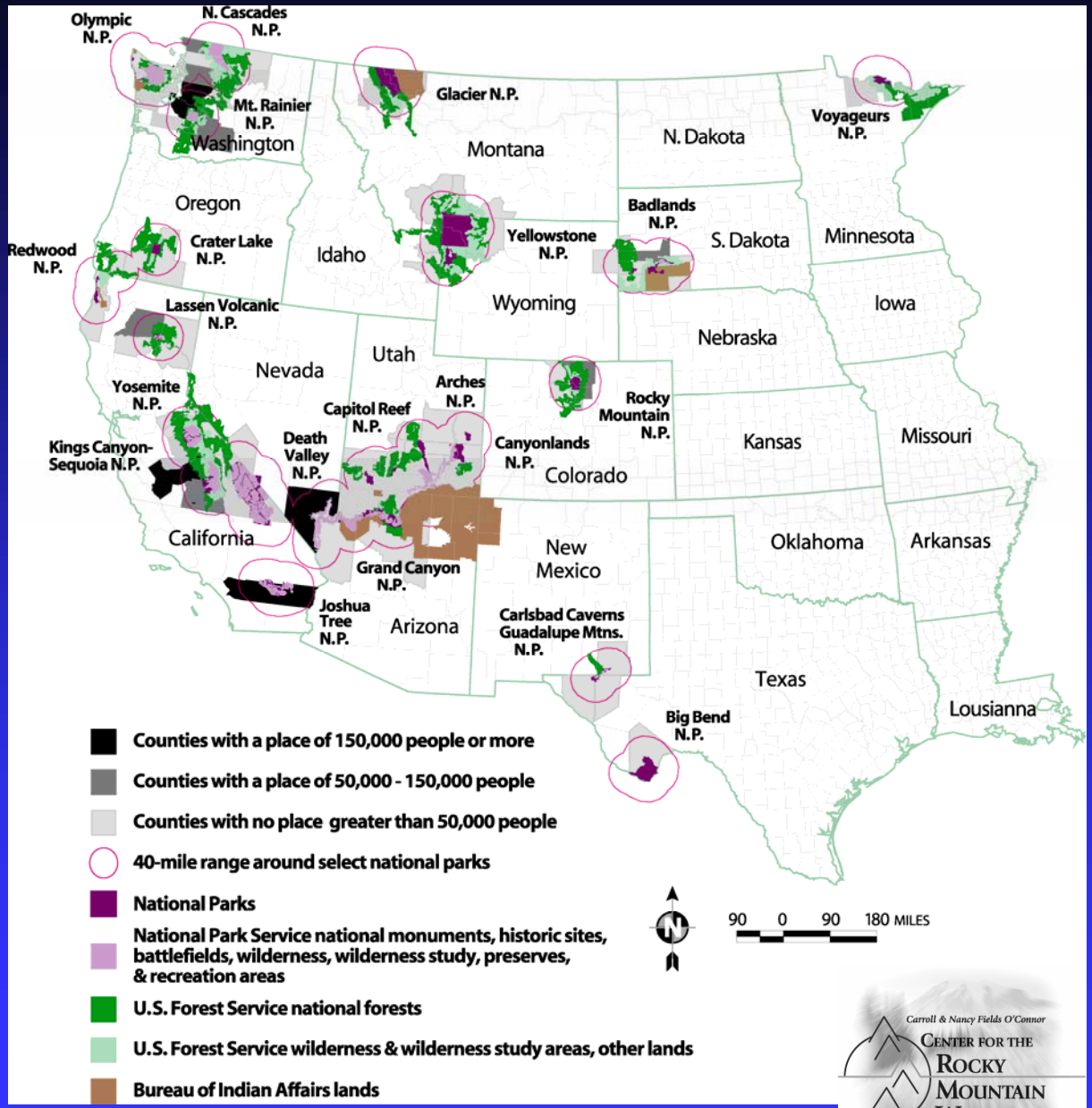
The University of Montana, 2004

Regional Economies Assessment Database (READ)

Areas Nearby National Parks In the West

There are 80 western counties whose geographic center is within 40 miles of a major national park in the West. The majority of these (51) are non-metropolitan in character.

The map shows major national parks in the 22 contiguous states west of the Mississippi River. Other federal lands adjacent to these parks are also shown.



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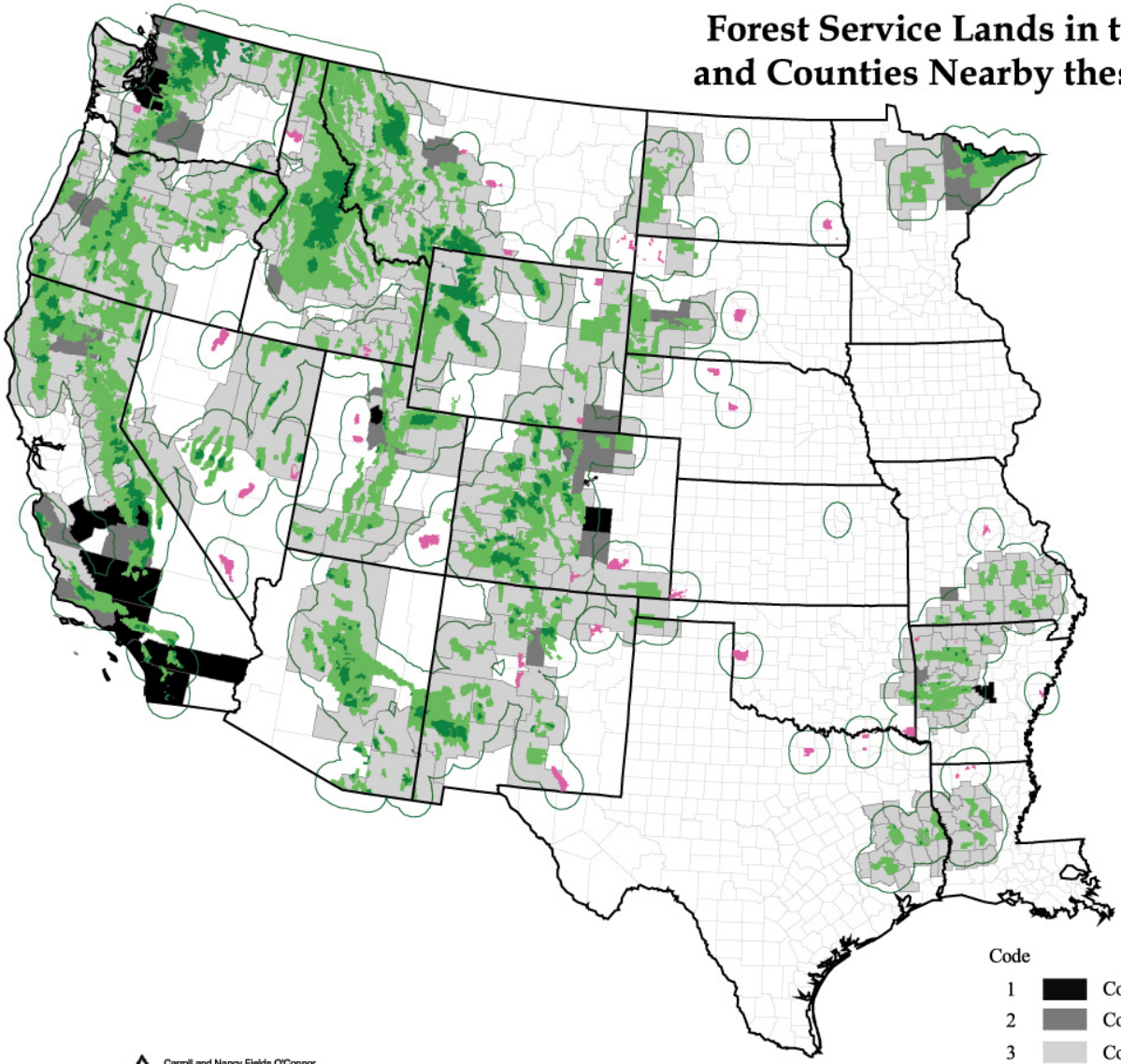
Center for the Rocky Mountain West

Forest Service Lands in the West and Counties Nearby these Lands



The map at the left shows national forest lands in the West that are managed by the U.S. Forest Service. Shown are 45,657 square miles of national forest wilderness and wilderness study areas and 234,637 square miles of national forest and other federal forest lands. One large concentration of these lands is found in Idaho, western Montana, and northwestern Wyoming. Another concentration stretches from North-central Washington south along the Cascades into Oregon and further south into northern California. Other states with large concentrations of these lands include Colorado and Utah in the Rocky Mountain region and Arizona and New Mexico in the Southwest. Smaller concentrations are found in Arkansas, Louisiana, and Missouri in the Southern Plains, Minnesota and North and South Dakota in the Northern Plains, and in Nevada.

Small and somewhat isolated tracts of these lands are highlighted in the map in burgundy. These smaller, more minor lands are excluded in attempting to identify counties that are nearby Forest Service lands, thereby focusing upon areas nearby the largest and most significant concentrations of Forest Service lands. GIS software is employed in identifying within the screened area those counties whose geographic center is within 30 miles of the larger concentrations of Forest Service lands. Further adjustments were then made visually, resulting in a careful targeting of counties in the West nearby U.S. Forest Service lands.

Counties whose geographic center is within 30 miles of Forest Service lands.

Code

1 Counties with a place of 150,000 people or greater. [13]

2 Counties having a place of 50,000 - 150,000 people. [24]

3 Counties having no places greater than 50,000 people. [373]

30 mile buffer from selected Forest Service and Forest Service Wilderness Lands.

Forest Service and other federal forest land. (235,000 sq. miles)

Forest Service Wilderness and Wilderness study areas. (45,000 sq. miles)

Small,Isolated or perimeter Forest Service, Forest Service Wilderness and Wilderness study areas. (7,700 sq. miles)

Carroll and Nancy Fields O'Connor Center for the Rocky Mountain West

T.J. Abbenhaus '00
D. Lawrence '02

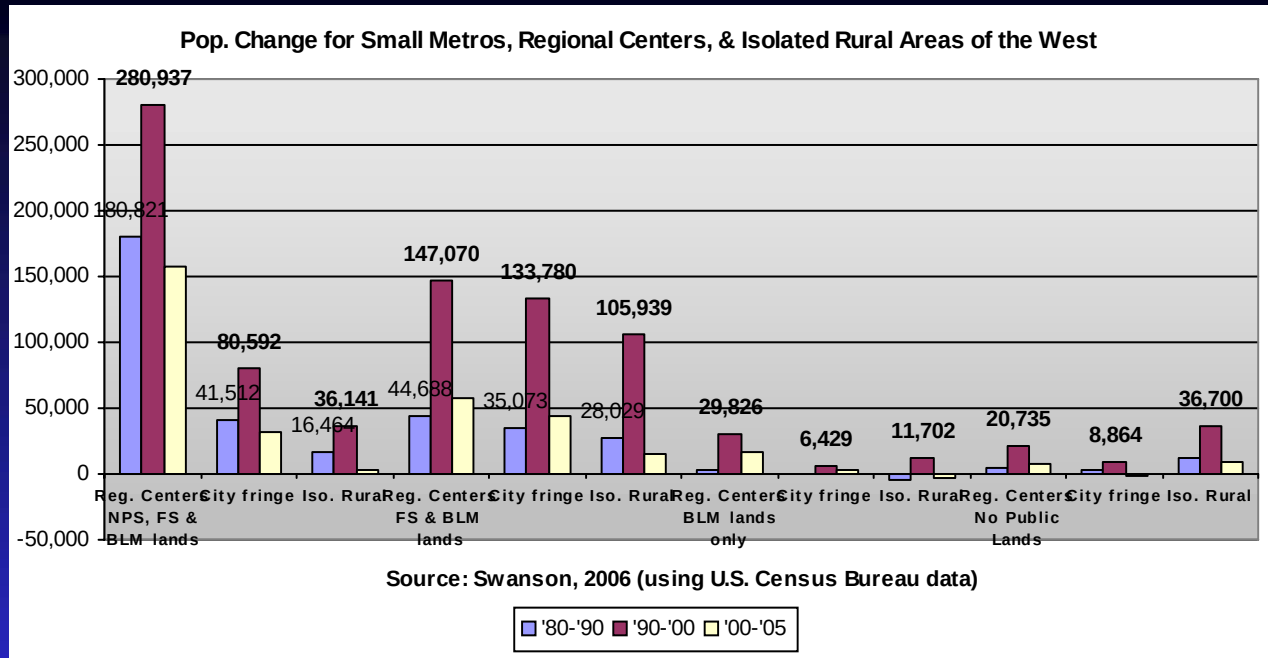
Regional Economies Assessment Database (READ)
The University of Montana, 2000

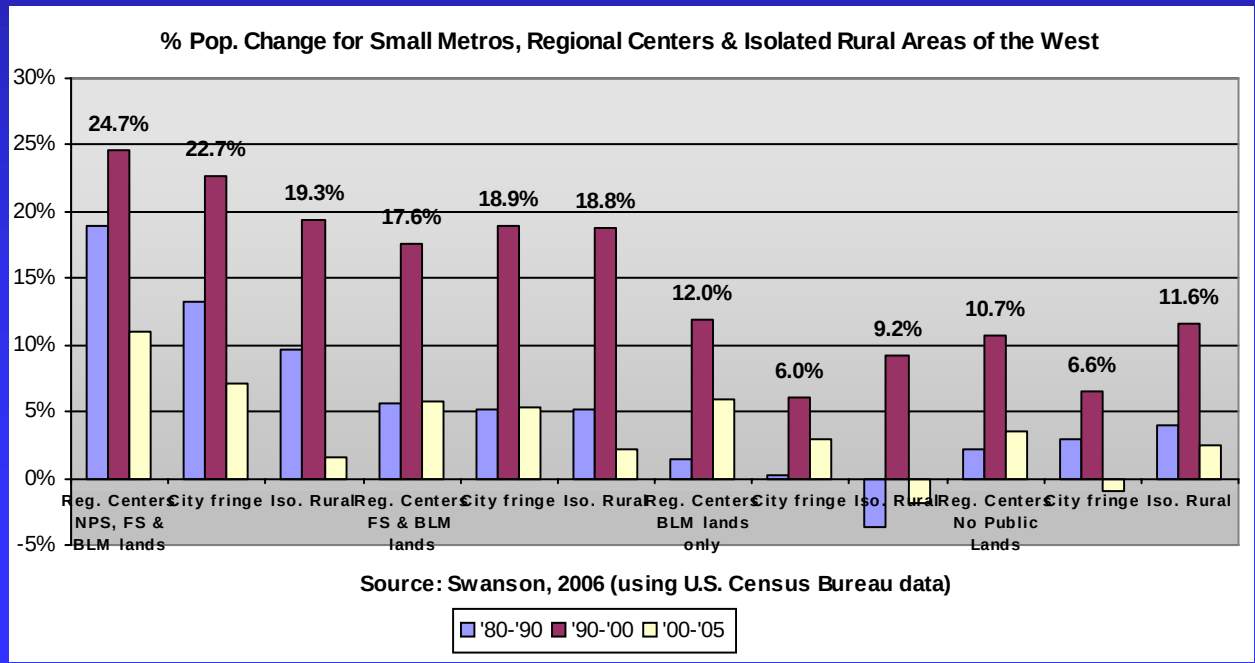
W13-red

Population Trends in the 11-State West for Rural Areas Based Upon Proximity to Federal Public Lands

The upper chart shows population change only for areas of the 11-state West outside of the more metro areas (both core and fringe areas of larger metros). Counties include core counties of large and small regional population centers, fringe counties of these and more isolated and rural counties with no large cities and that are not close to any cities.

The lower chart shows percentage change in population for all counties within these groupings. The greatest growth is occurring in regional center counties nearby national park lands with growth of 25% in the '90s and continuing relatively fast growth. Next is growth in areas nearby these regional centers also nearby national parks with growth of nearly 23%. Growth is also relatively high in areas nearby national forest lands. In isolated rural areas growth is greatest nearby national parks and national forest areas. This growth pattern is reflective of amenity-driven population movement.



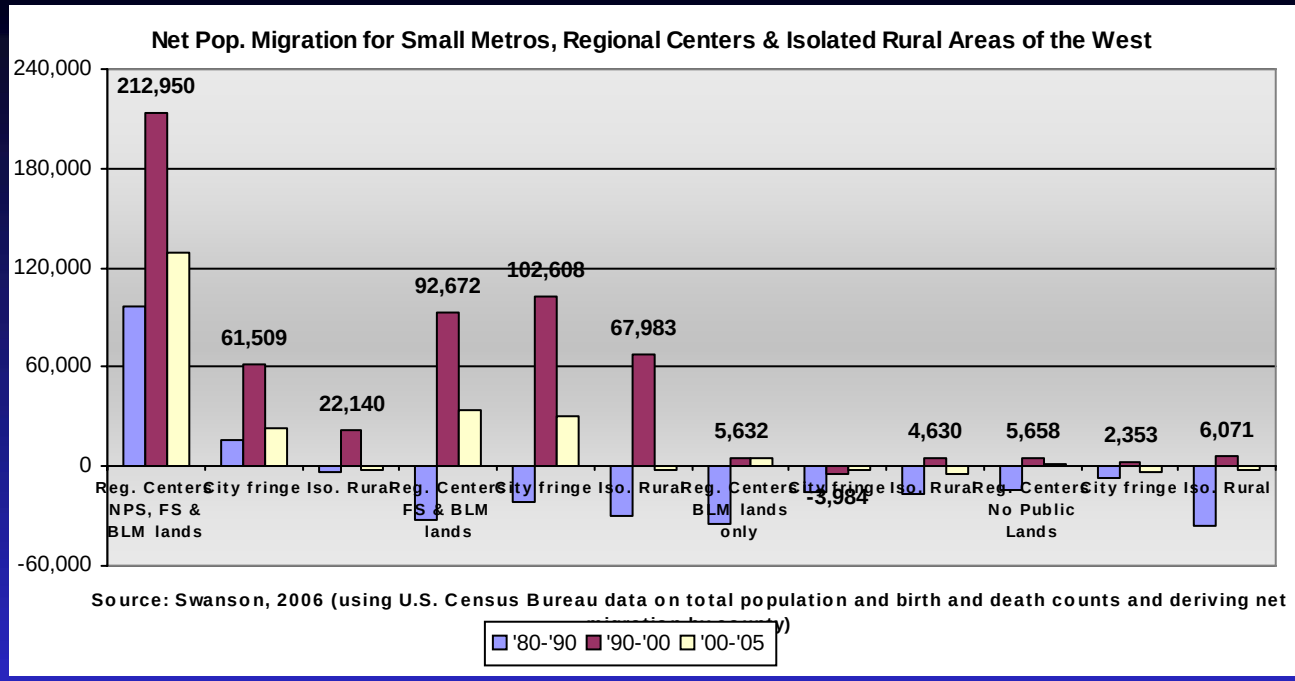


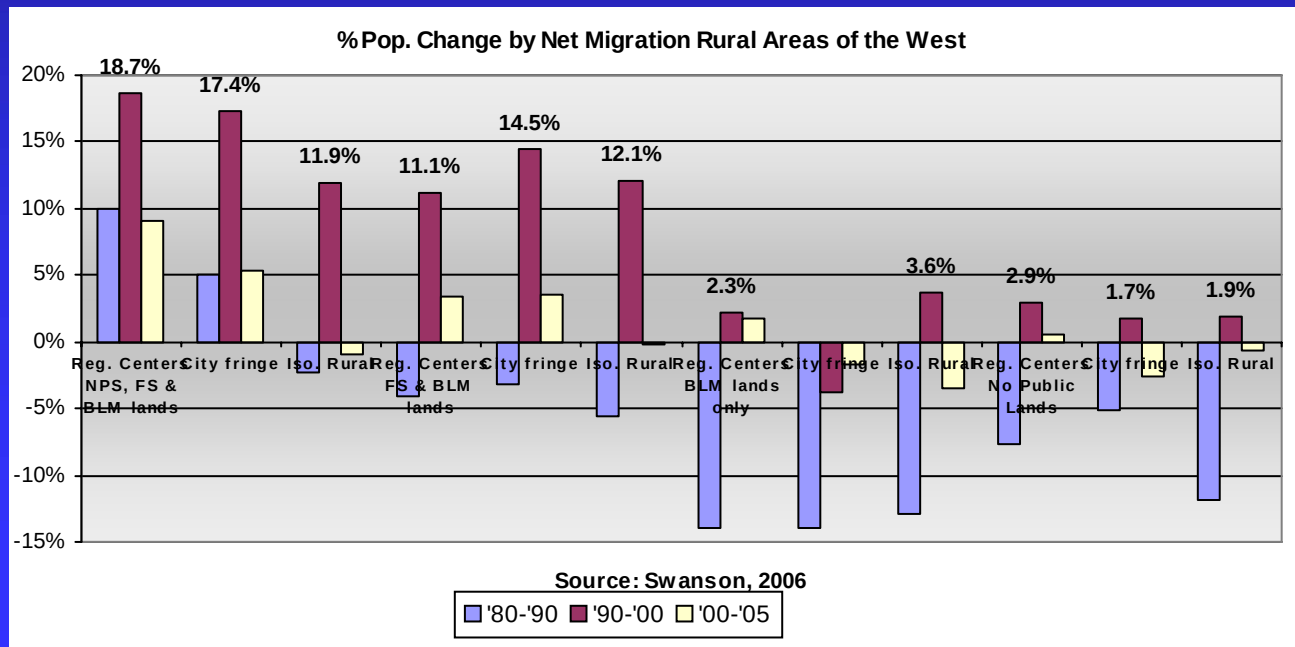
Population Change by Net Migration for Rural Areas of the 11-State West According to Public Lands Proximity

Most population change in the West is being driven by patterns of net migration rather than natural change (birth and death rates). The upper chart shows population change by net migration only for several recent time periods. The lower chart shows how this net migration affected area populations in percentage terms.

The movement of people from place to place in the '90s led to significant increases in population in rural areas nearby national parks and national forest lands. While shifts in migration patterns also led to some increases in rural areas not nearby these lands, this growth was relatively small but did represent a significant shift from the decade of the '80s when net out-migration was much higher in virtually all rural areas.

These patterns indicate that most population growth in rural areas of the West is due to net migration and net migration that is largely amenity-driven, favoring growth nearby areas with large national parks and forests.



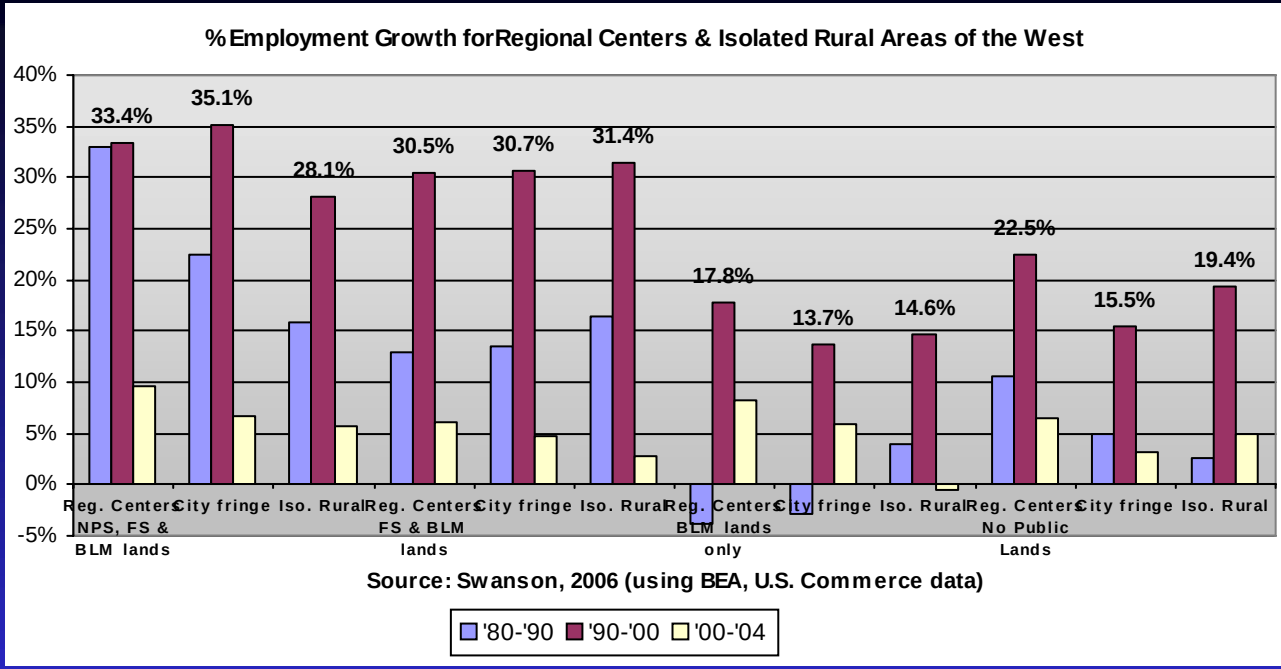


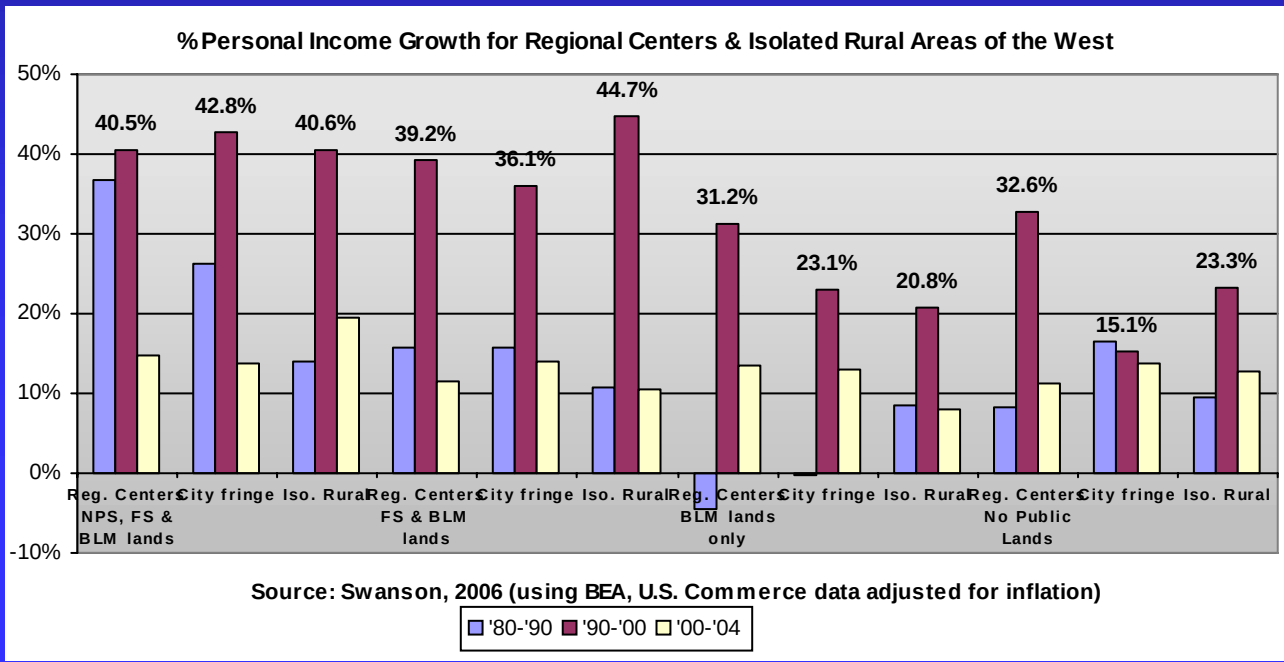
Trends in Personal Income and Employment Growth in Rural Areas of the 11-State West based upon Proximity to Public Lands

Trends in personal income growth and employment growth are tending to follow patterns of growth in population, which is favoring growth in rural areas nearby national parks and national forest lands in the West.

The upper chart shows percentage changes in total personal income, adjusted for inflation, for rural areas nearby federal public lands and not nearby these lands. Personal income growth is considerably higher in areas nearby national parks and forests.

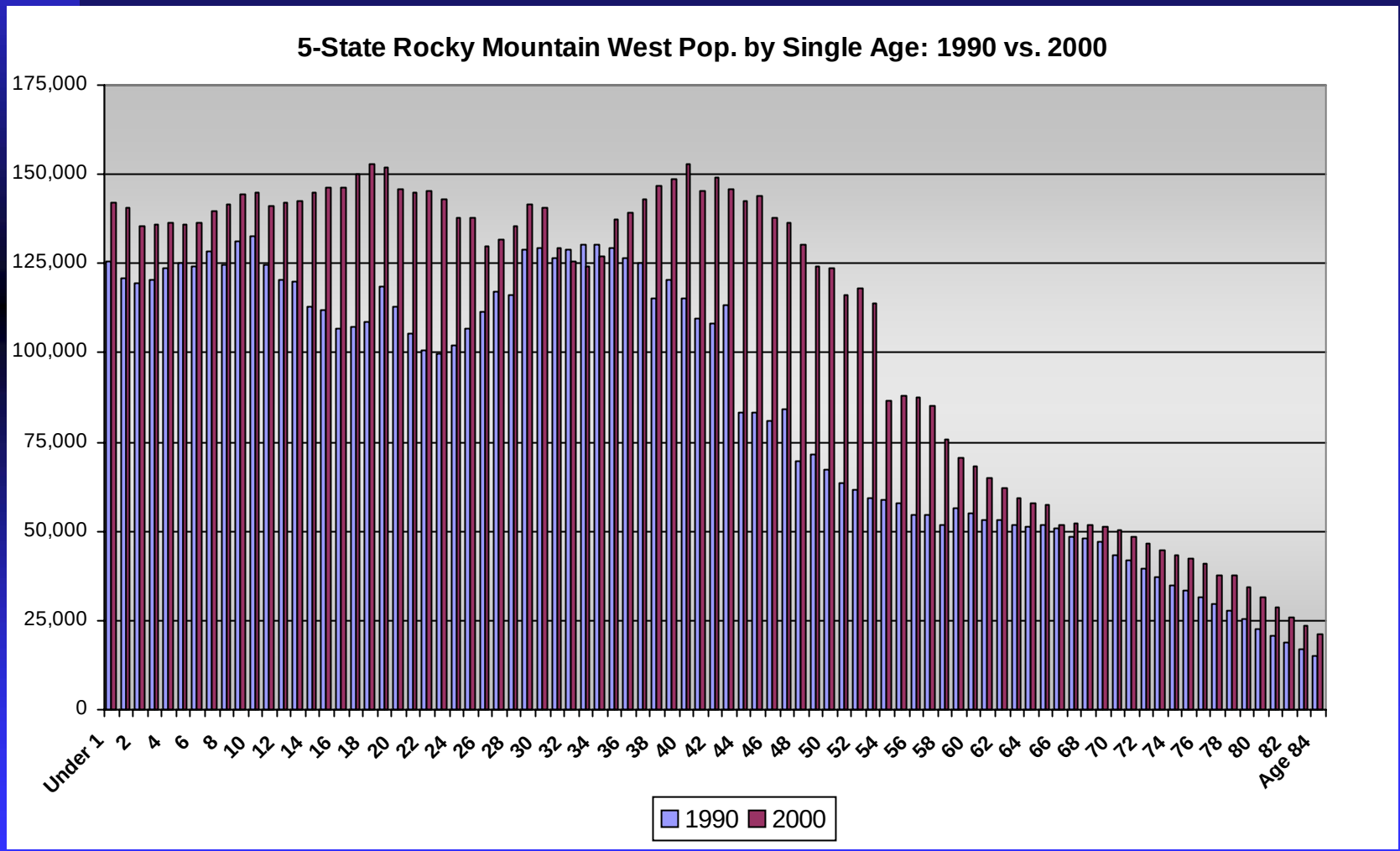
The lower chart shows the same pattern in looking at total employment growth.





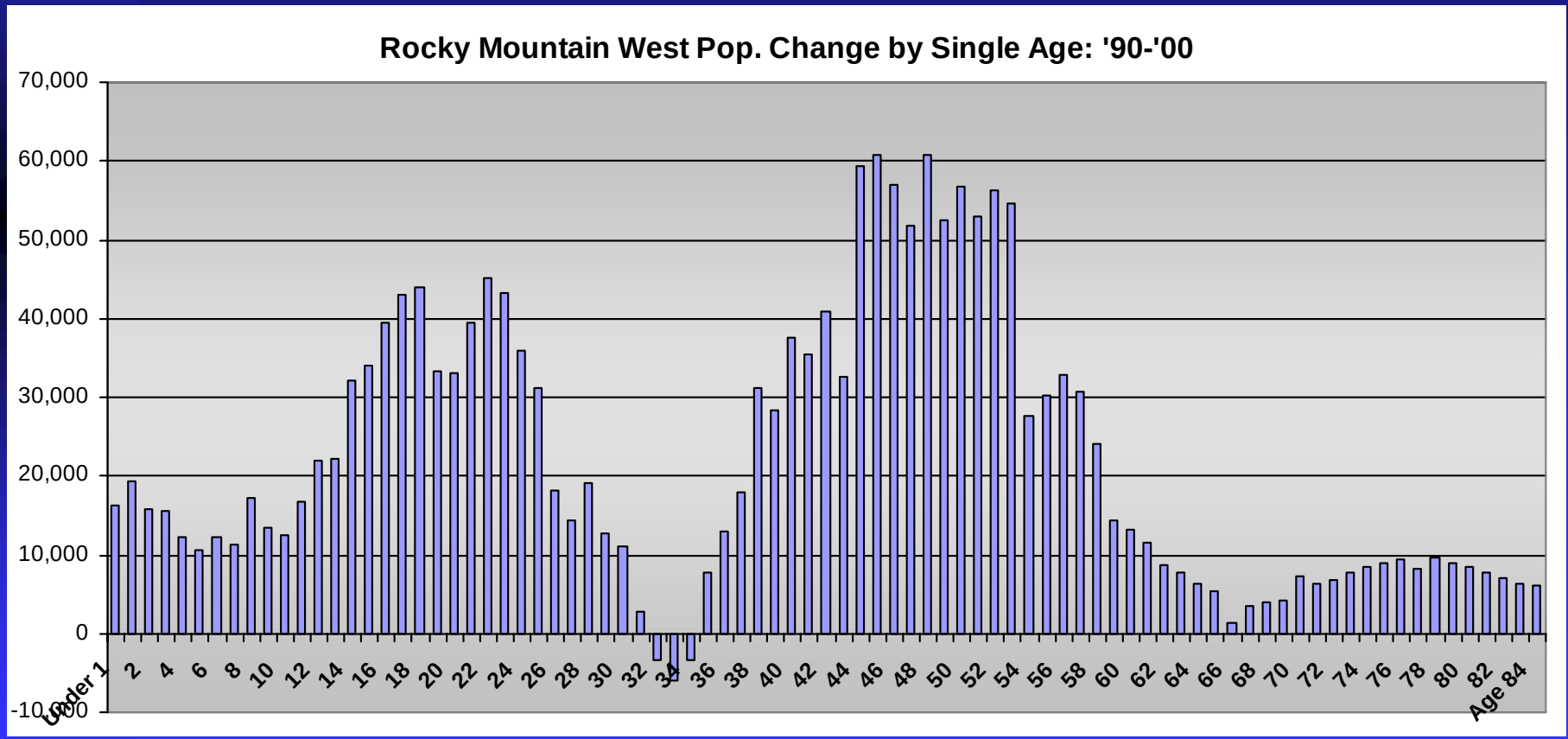
Shifting Age Composition in the Rocky Mountain West

The relatively fast-growing Rocky Mountain West region population is growing fastest among certain ages of the population – most notably, persons between the ages of 40 and 60 – classic “baby boomers,” or persons born after W.W.II between 1947 and 1964. The other fast-growing age segment is teenagers and young adults, or persons in their early teens and mid-to-late 30s – the children of baby boomers or the “echo” generation.



Population Change by Age in the 4-State Rockies: ’90 to ‘00

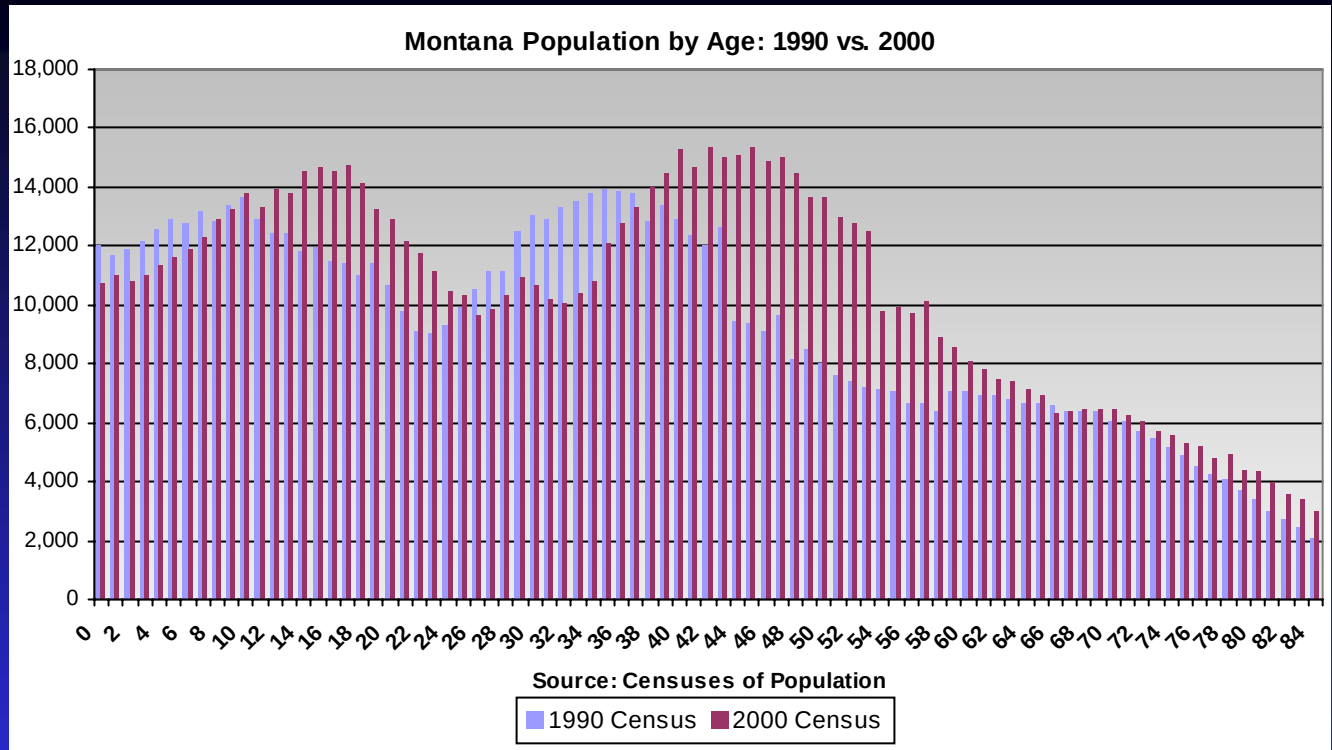
The chart below shows population change between 1990 and 2000 by single age. Growth is focused in two major age groupings – “baby boomers” or persons now between the ages of 40 and 60, and the “echo” generation or children of the baby boomers. These two large age groupings will shift into older ages and at the time of the 2010 Census, growth between 2000 and 2010 will be largely focused among persons between 50 and 70, which is the aging baby boomers, and persons between 20 and 40, children of baby boomers who are moving into ages of family formation, child-rearing, and work force entry and early career development.

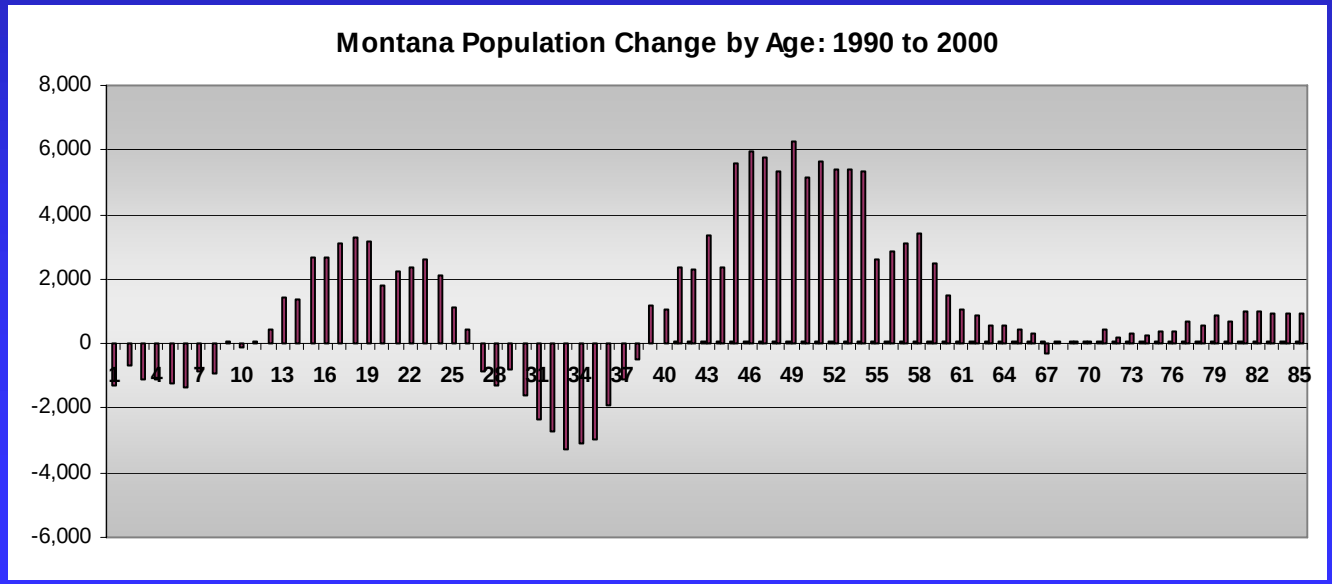


Recent Change in Montana's Population by Single Age – 1990 – 2000

The upper right chart shows the state's population by single age, from youngest to oldest, at the time of the 1990 Census and ten years later during the 2000 Census. The lower chart shows change in population by single age during this period.

There are two noteworthy "bubbles" in the population. The most pronounced one is for persons between 40 and 60 – classic "baby boomers," or persons born between 1946 and 1964. The second much smaller bubble is for teenage children and young adults up to their mid-20s – children of baby boomers or what is referred to as the baby boom "echo." The 65 and older population grew, but not by much, and the number of young children under 12 actually declined. These waves in the age demographic of the state will continue to play out well into the future and must be accounted for.

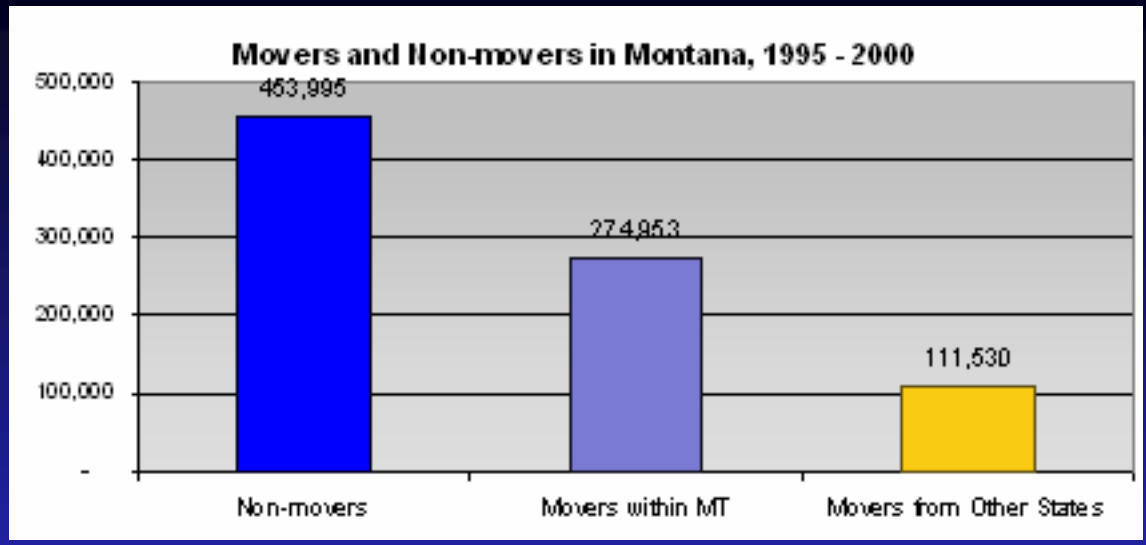


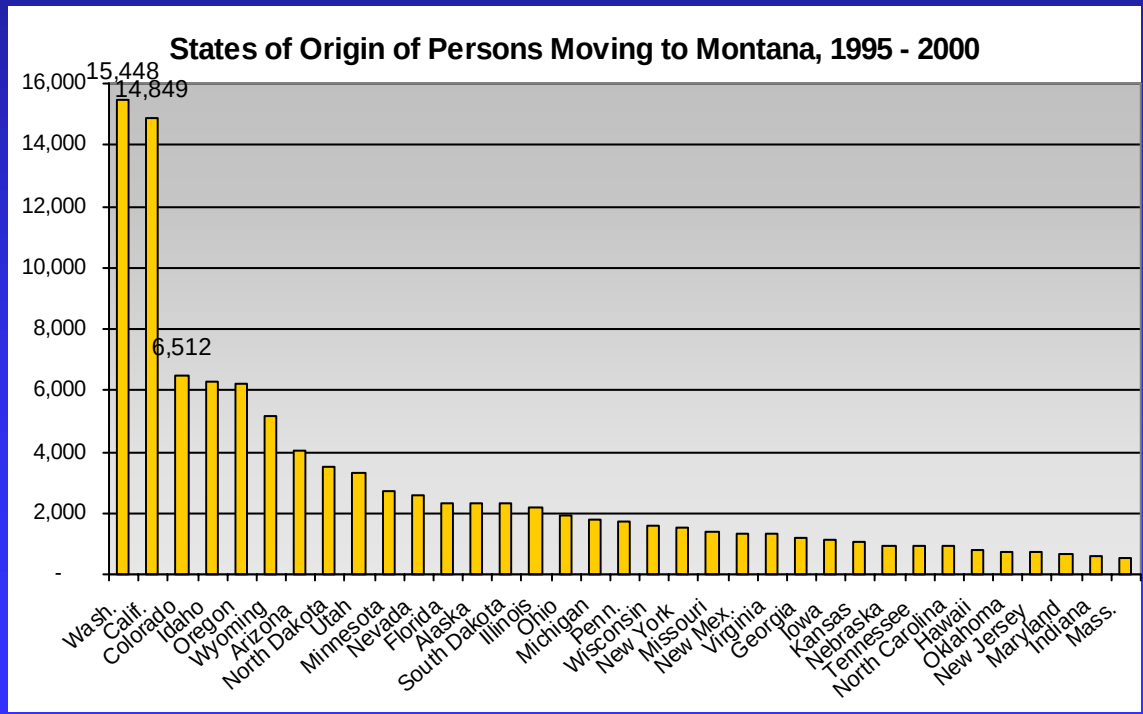


Movement in and Migration to Montana

Of the 840,478 persons residing in Montana in 2000 that were five years of age and older, 453,995 (54%) lived in the same residence is 1995 as 2000. Of the 46% who had moved, 33% had moved within Montana, oftentimes simply within the same community and the other 13% had moved to Montana from other states.

Two states contributed the most new residents of Montana by far in this five-year period – Washington state provided 15,448 new residents to Montana, 14% of the total number of movers from other states, followed by California with 14,849 (13.3% of the total). Far behind these were the third, fourth, and fifth states of Colorado, Idaho, and Oregon – all contributing more than 6,000 new residents each, 5 to 6% of the total in each case. Next comes Wyoming with over 5,000, followed by Arizona.



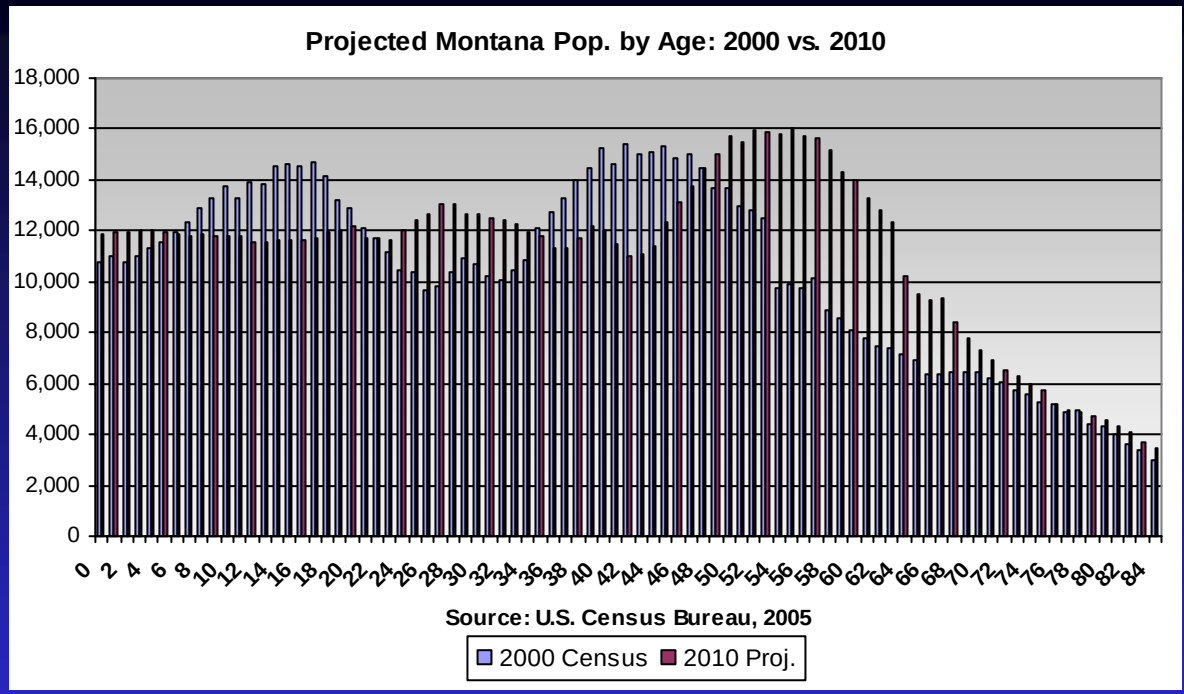


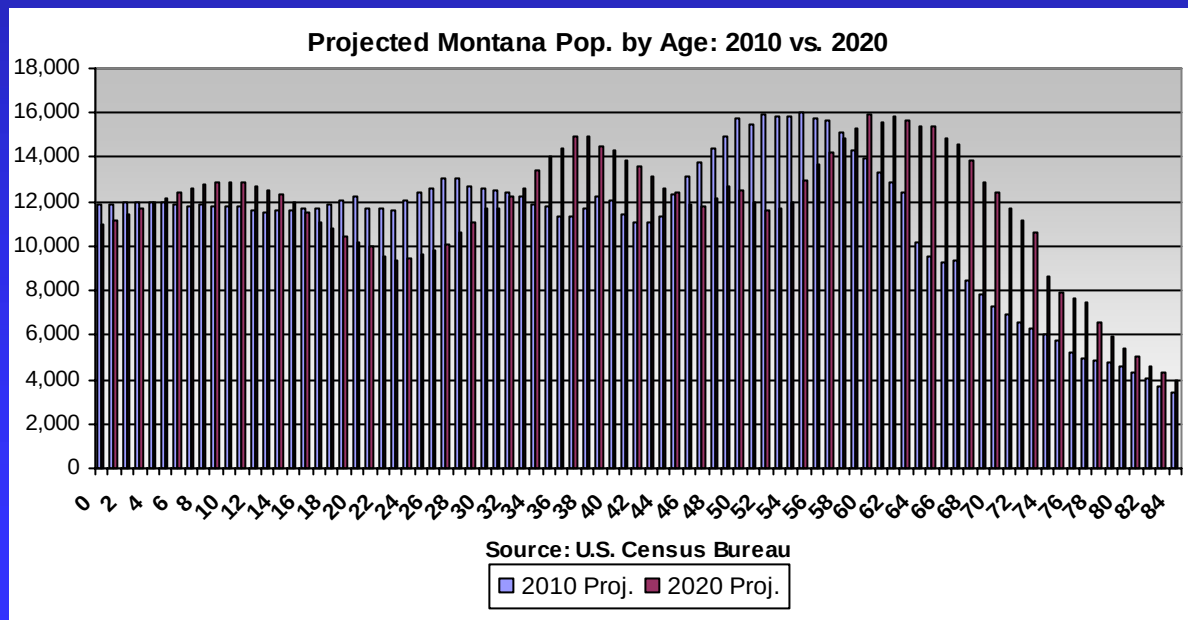
Montana's Projected Population Change by Age, 2000 to 2010 and 2010 to 2020

The upper chart shows the U.S. Census Bureau's current projections for Montana population change by single age over the current decade – 2000 through 2010. Over this ten-year period the state is expected to grow by 7% versus nationwide projected growth of 9%. The chart shows where most of this growth in Montana is expected to occur.

The Baby Boom group, born between 1947 and 1963, will be at ages between their late 40s and early-to-mid 60s. What remains of the "echo" age group shows up in growth in the population of persons in their early 20s and early 30s. The population between 35 and 45 is expected to shrink considerably, as is the population between 8 and 18. The very youngest population under 8 will grow, reflecting the larger number of 20 and 30 year olds having children.

The lower chart then shows expected population change by single age from youngest to oldest over the ten-year period from 2010 to 2020. During this period, the state's overall population is projected to grow by only 6%, with growth now concentrating among persons from their late 50s and older. There also is a small increase in those between their early 30s and early 40s, as well as those 5 to 15. There is a large and striking decline in the population between their mid-40s and mid-50s and late teens to early 30s.



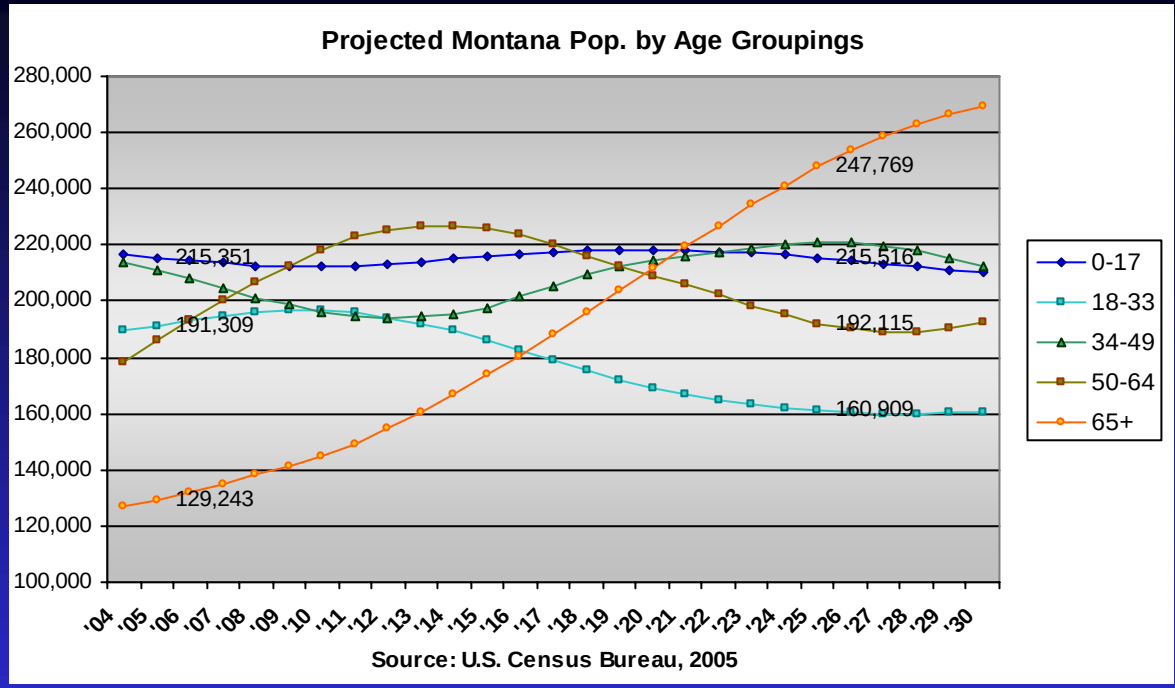


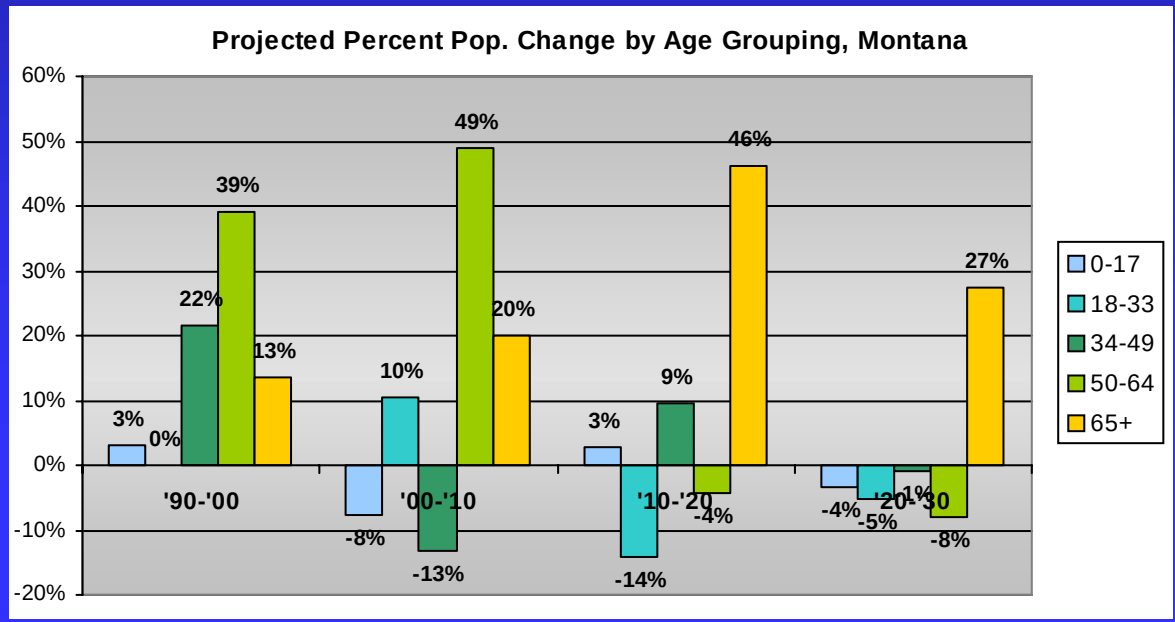
Future Population Change in Montana by Age Grouping

The projected aging of Montana's population over the next 20 years can be viewed by examining how the population is expected to change by age grouping. The upper chart shows the population under 18 (high school and younger), the population 18 to 33 (young post-high school adults and those at ages of family formation and childrearing), the population 34 to 49 (young and middle-age adults), the population 50 to 64 (older adults at pre-retirement ages), and the population 65 and older.

The under 18 population, which grew by only 3% in the '90s, is projected to fall by 8% between 2000 and 2010, then grow slightly in the subsequent two decades. The young adult population, which saw very little change in the last decade, would grow by 10% in the current decade before declining in each of the subsequent periods. The older adult working age population between 50 and 64, which saw massive growth in the '90s will also see very high growth in the current period before beginning a decline. And the 65 and older population, which grew by only 13% in the '90s, will grow by 20%, 46%, and 27% in the subsequent three decades.

As a result of these age shifts, Montana will have one of the largest populations over 65 of any state in the country in future years.





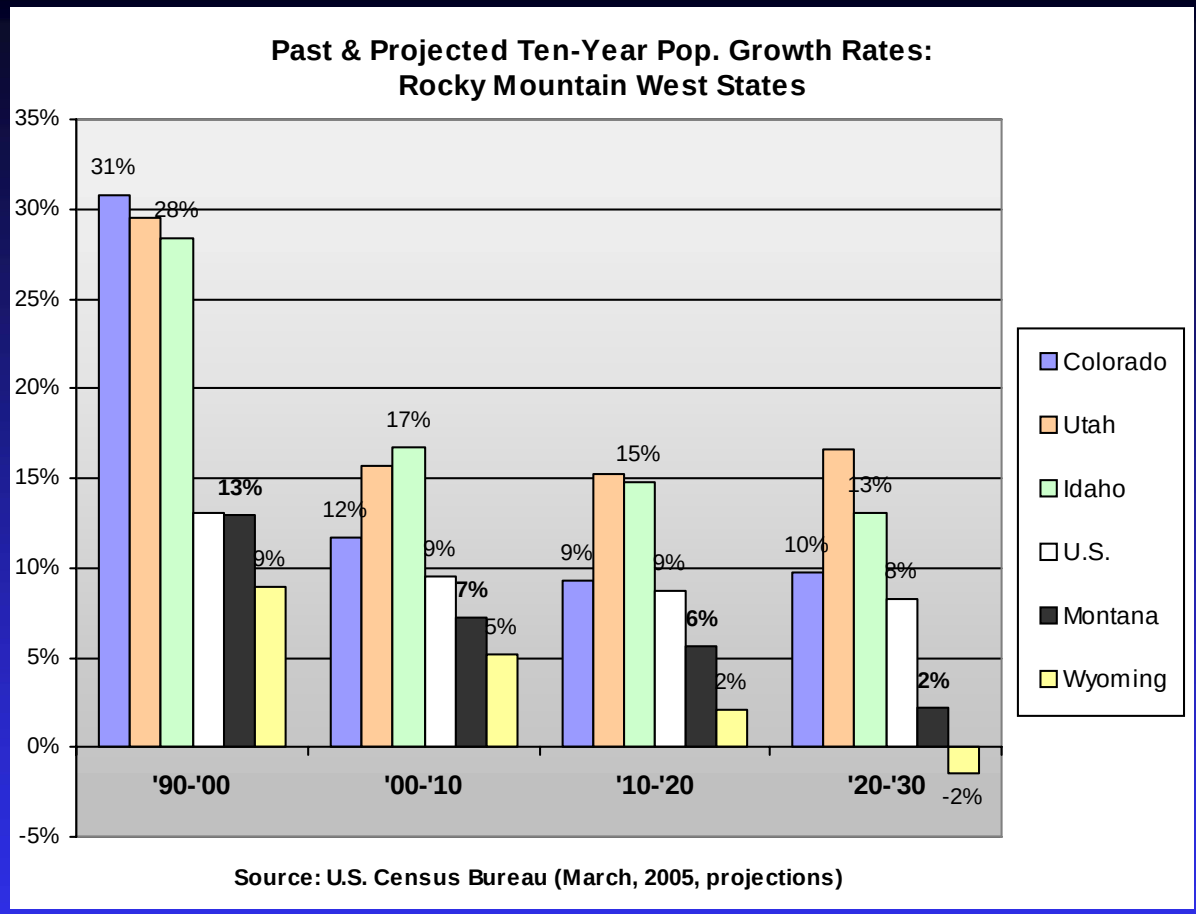
Slowing Population Growth in the Rocky Mountain West

The U.S. Census Bureau released post-Census 2000 population projections for U.S. states in March, 2005. These project that the U.S. population as a whole will grow by 9% between 2000 and 2010, after growing at 13% between 1990 and 2000. Growth is projected at 9% for the 2010 to 2020 period and at 8% for the 2020 to 2030 period.

The very high growth among most Rocky Mountain states during the '90s is projected to slow. Colorado grew by 31% in the '90s and is projected to grow by only 12% between 2000 and 2010 and by only 9% the subsequent decade. Idaho's growth is projected to fall from 28% in the '90s to 17% in the current decade and 15% and 13% in the next two decades after that.

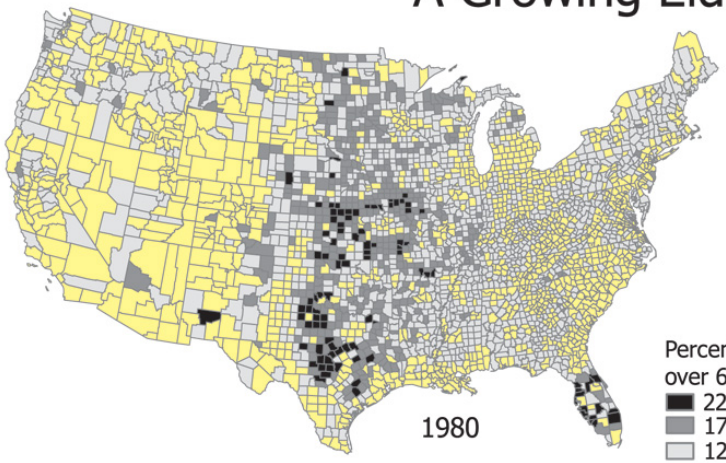
Montana, which grew by 13% in the '90s – the same rate of growth as nationally – is projected to fall to 7% growth between 2000 and 2010, to 6% growth between 2010 and 2020, and to only 2% growth between 2020 and 2030 – falling significantly below the growth rate nationwide. Wyoming, which grew by 9% in the '90s, is projected to fall to 5% and 2% growth in the subsequent two decades and to slip into population decline after 2020.

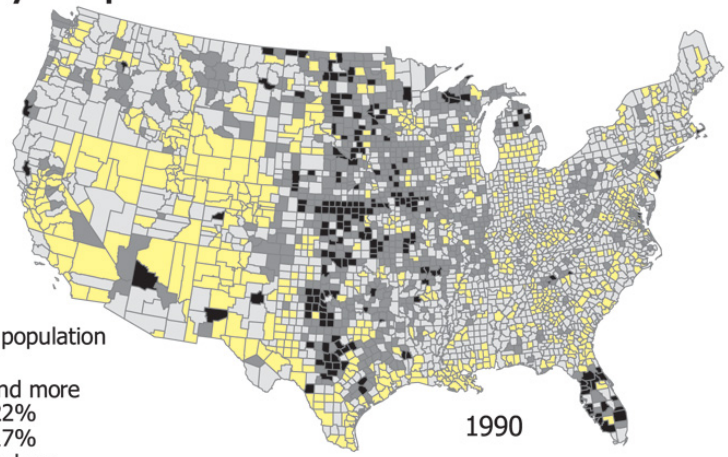
These growth projections incorporate the Census Bureau's expectations regarding area birth and death rates, as well as patterns of net migration.



Carroll & Nancy Fields O'Connor
Center for the Rocky Mountain West

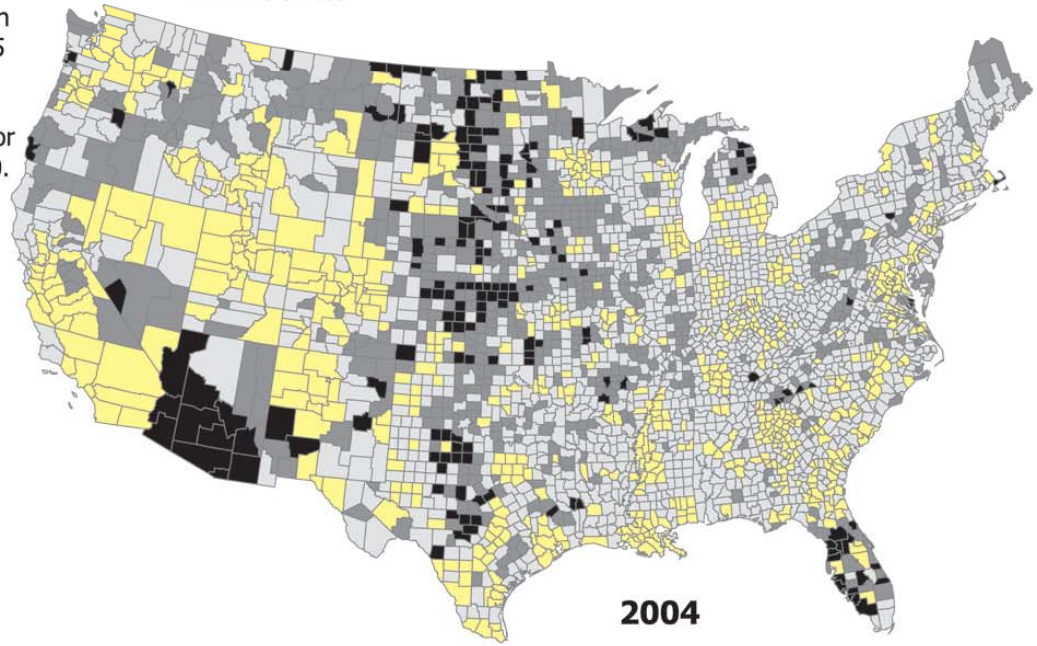
A Growing Elderly Population





Percent of population over 65
- 22% and more
- 17 to 22%
- 12 to 17%
- 12% or less

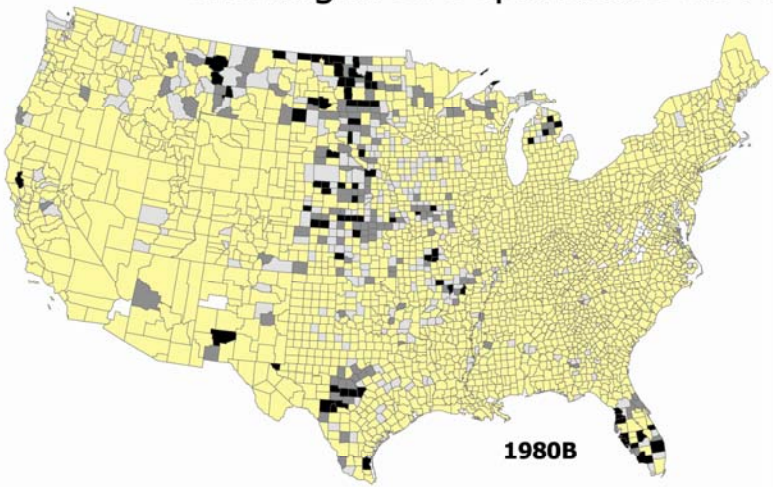
Another indicator of the aging U.S. population is the rising share of the population that is 65 and older. The maps show how this varies across the U.S. and what is happening over the last twenty years. Most areas had 10% or less of their populations 65 and older in 1980. By 2000 this had changed considerably and this aging process will continue for another two decades. The areas of the country with the highest shares of elderly are where population decline was greatest in past decades.

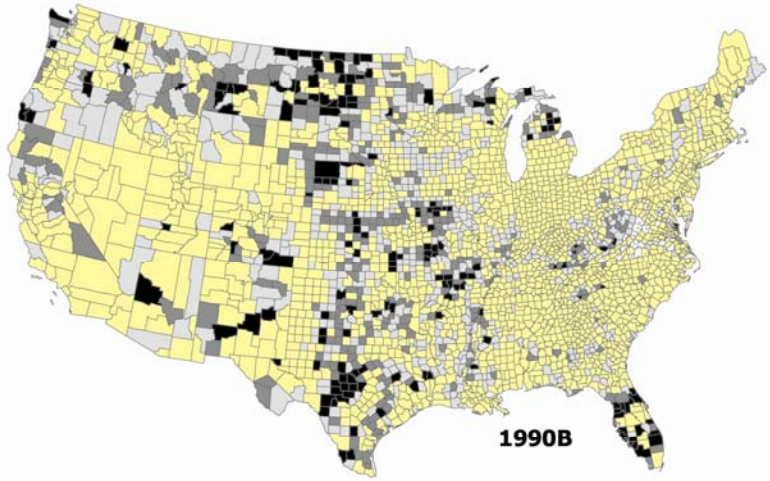


Carroll and Nancy Fields O'Connor
Center for the Rocky Mountain West

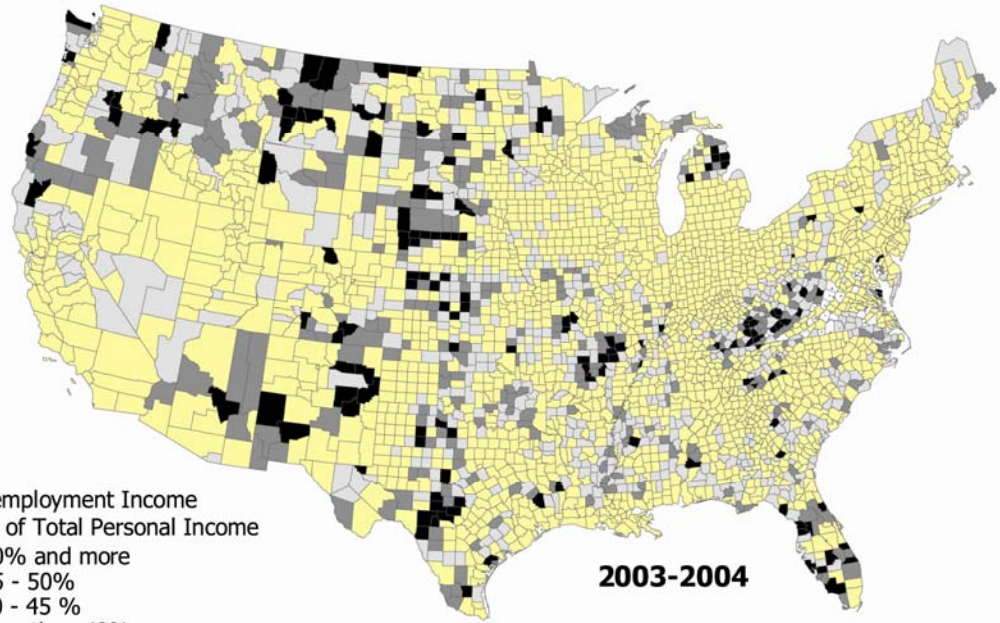
Pop 65 and over.mxd

Growing Area Dependence on Non-Employment Income Sources





As the population ages and the economy changes, the composition of income shifts. Over the last couple decades, non-employment earnings have become more and more of a factor in area personal income.

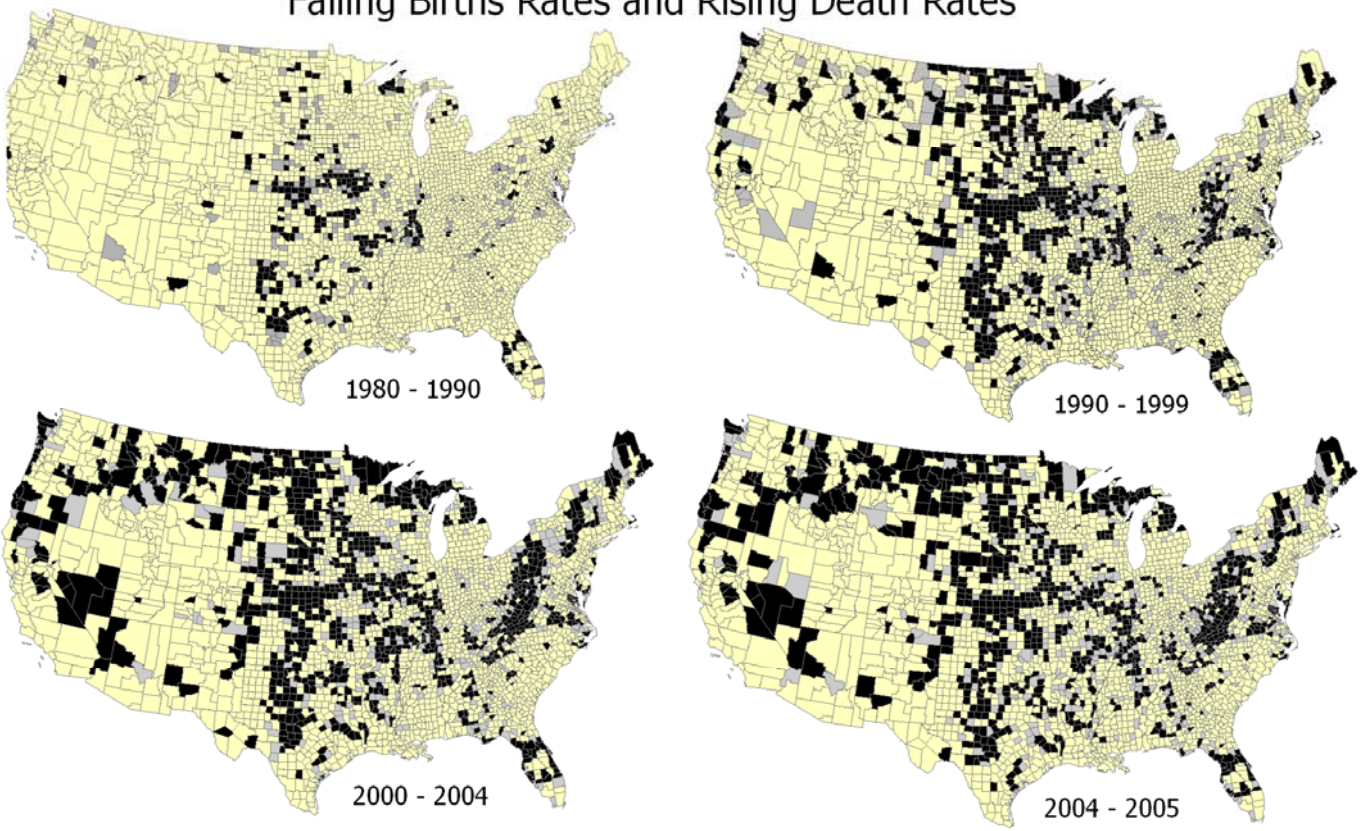


Carroll and Nancy Fields O'Connor
Center for the Rocky Mountain West

Non-employment Income
Share of Total Personal Income
- 50% and more
- 45 - 50%
- 40 - 45 %
- Less than 40%

Shifting Income Sources.mxd

Falling Births Rates and Rising Death Rates



Areas where deaths exceed births
Areas where deaths are 90 to 100% of births
Areas where deaths are less than 90% of births

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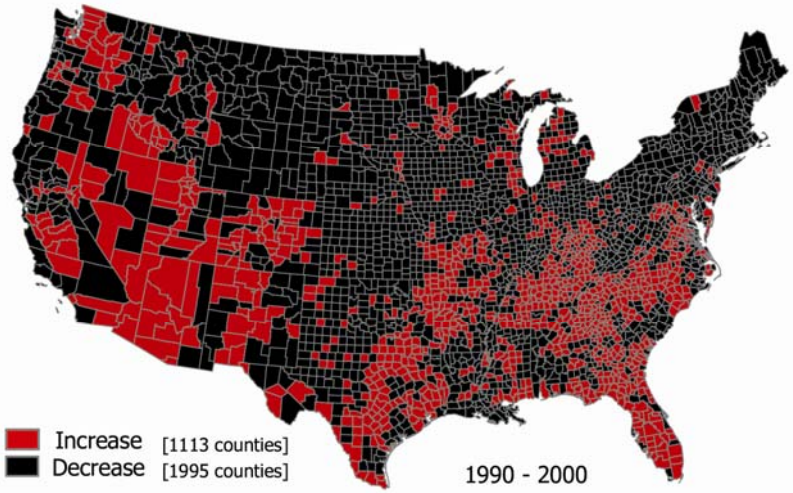
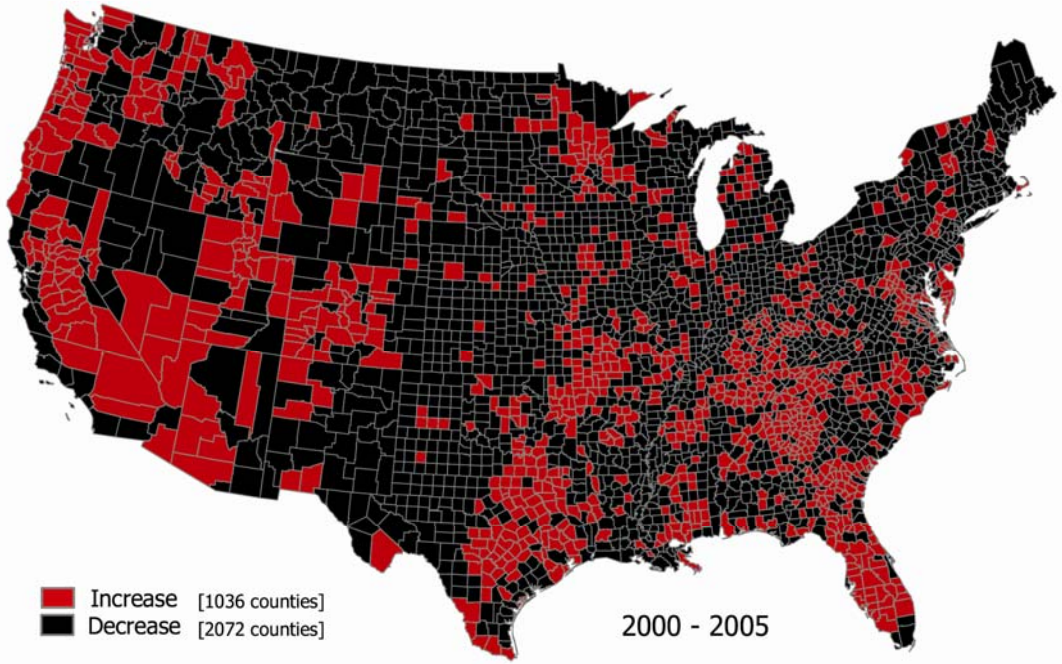
Center for the Rocky Mountain West

As the population of an area becomes older, birth rates tend to fall as death rates rise. Population growth through what is called "natural change" is simply area births minus deaths for a given time period. The maps show areas where deaths have begun to out-number births in some areas (shown in black) and areas where deaths have risen to as high as 90 to 100% of births (gray). Areas shown in green are ones where births still greatly out-number deaths. This shifting dynamic tied to an aging population will play a greater role in the future in many areas with slow-growing or declining populations.



Area of Growth or Decline in the Young Adult Population

Much of the population growth in the U.S.since 1990 has been among baby boomers and their children. At the time of the 2000 Census, baby boomers were at ages between 37 and 53 and in the last year the front edge of boomers turned 60 years of age. The maps show areas where the much smaller generation of people coming after baby boomers - young adults between 25 and 39 - is actually increasing in size.

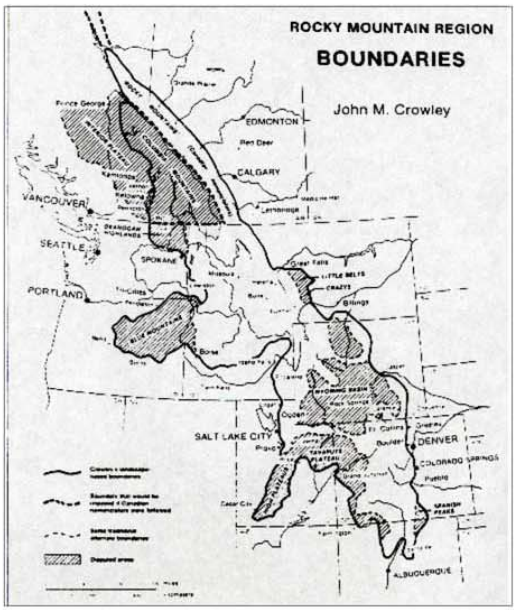


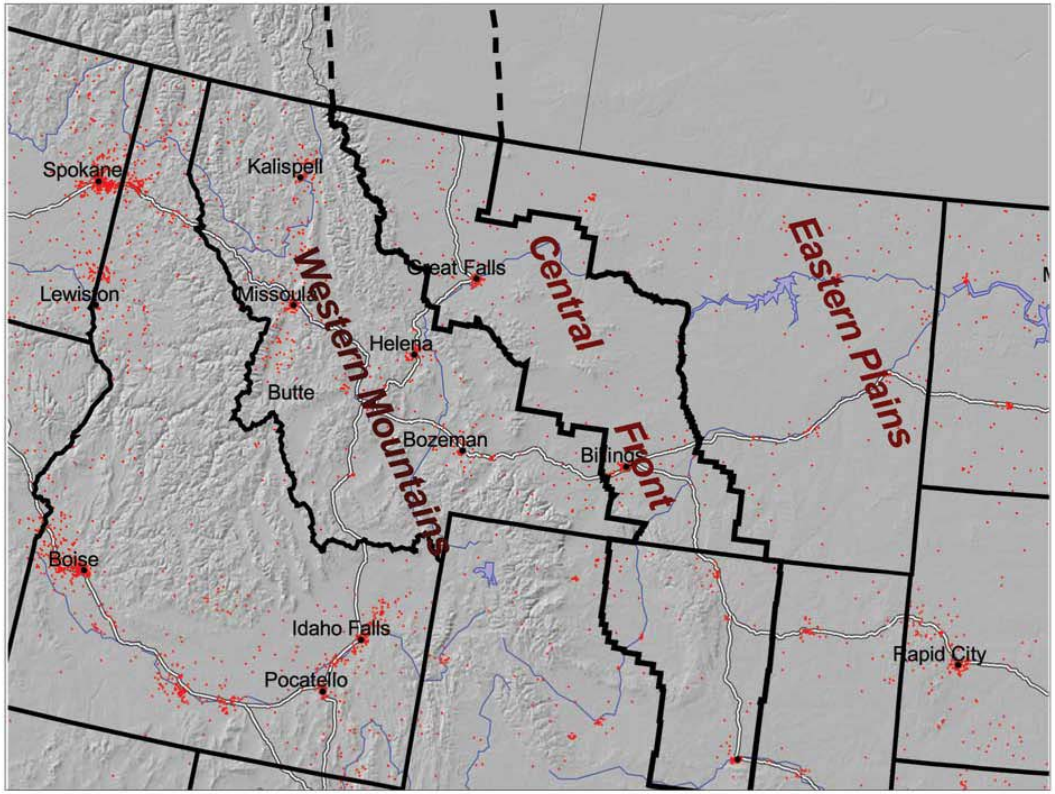
Carroll and Nancy Fields O'Connor
Center for the Rocky Mountain West

Pop 25-39 - Sim Diff.mxd

Montana West-to-East "Three Regions"

Montana is a very large state in geographic terms - the nation's fourth largest. In many ways, the state actually cuts across three different regions in going from west to east - the "Western Mountain" region, the "Central Front", and the "Eastern Plains" . The "Western Mountain" region in the west has 22 counties and the eastern boundary of these largely follows the eastern edge of the Rocky Mountains. The map below shows the general boundaries of various major and minor ranges of the Rockies. The map at the right shows how Montana's counties fit within these three regions.



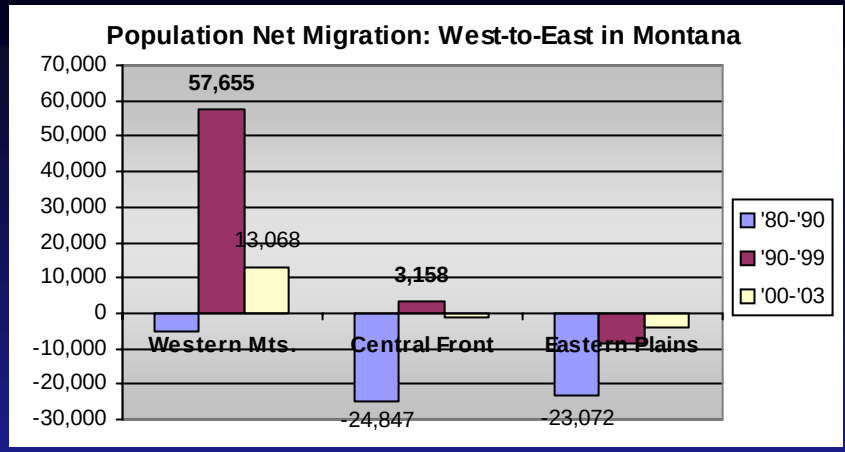


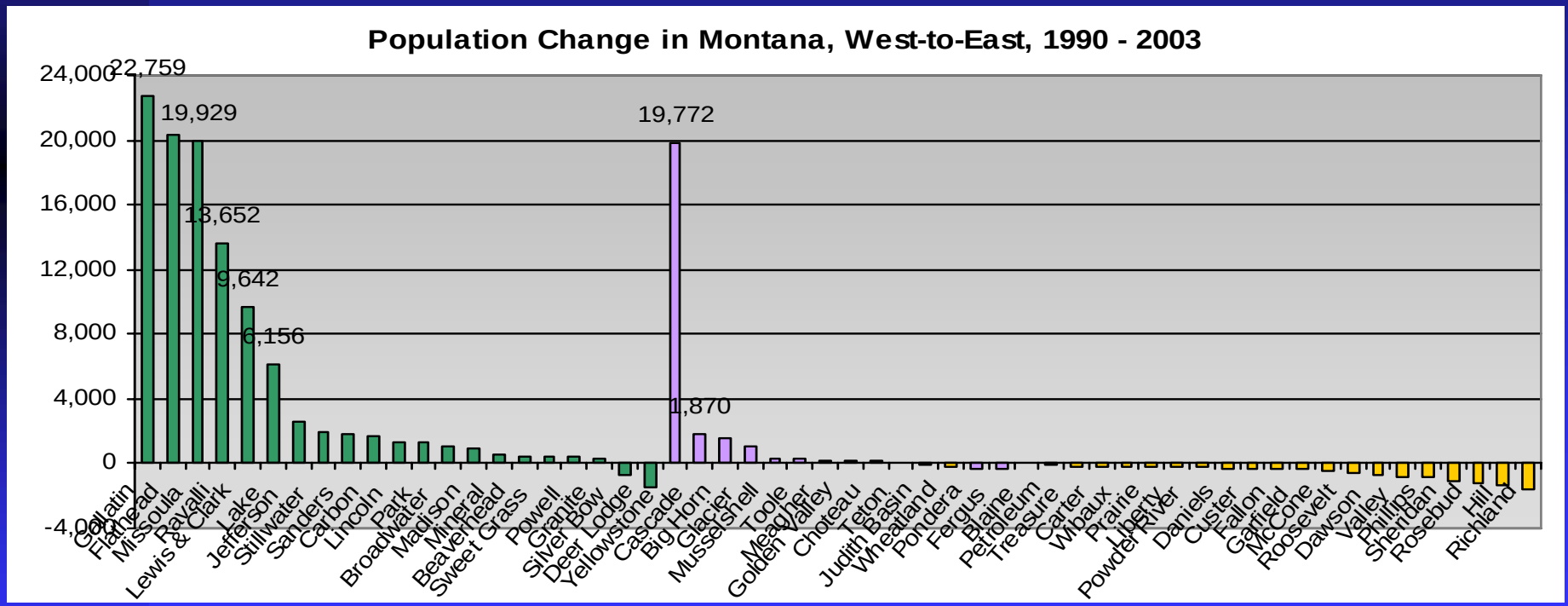
The eastern boundary of the western mountain region begins in the north at the eastern edge of Glacier National Park and then generally follows the eastern front of the Rockies south and southeast, jutting out around the Absaroka Range and Beartooth Highway area in Carbon County, before extending into Wyoming. The "bookends" for this region in Montana are the two magnificent national parks - Glacier and Yellowstone. Nestled up against the front is Montana's Central Front region. In this region, the mountains are generally viewable to the west. In going further east, the landscape flattens, extending into the large and expansive Plains of eastern Montana and the Dakotas. 22 of Montana's counties are in the Western Mountains, 15 are in the Central Front, and 19 are in the Eastern Plains.

Carroll and Nancy Fields O'Connor Center for the Rocky Mountain West
Regional Economies Assessment Database (READ)
The University of Montana, 2006 CT6B

Lop-Sided Population Change in Montana

The recent "sea change" in U.S. population migration patterns played out very differently in Montana's three regions. The 21 Western Mountain counties saw almost all of the increase with net migration shooting to nearly 58,000 in the '90s. The Central Front saw some of the increase. The 21 Eastern Plains counties continue to lose population. Population counts through 2003 indicate these trends are continuing.



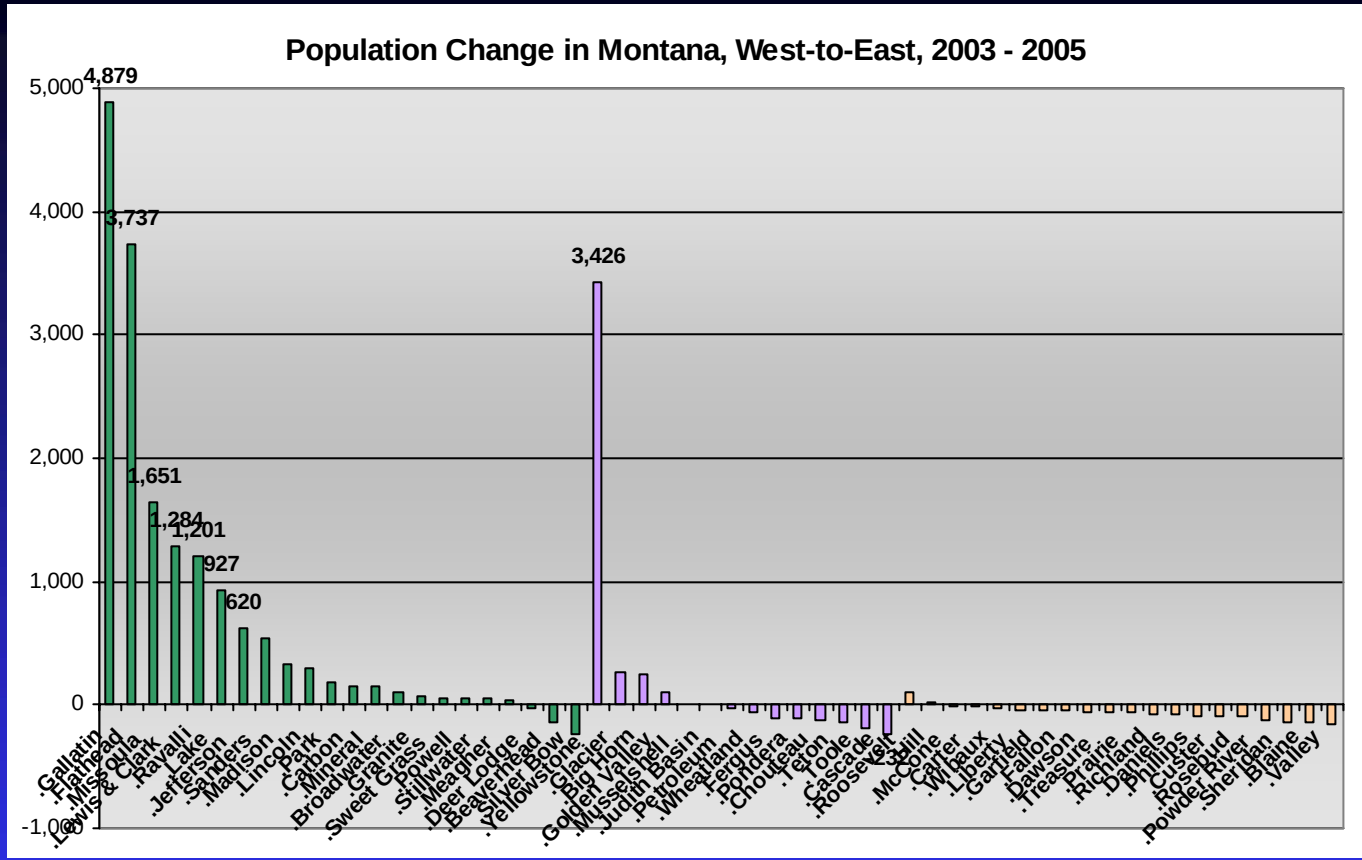


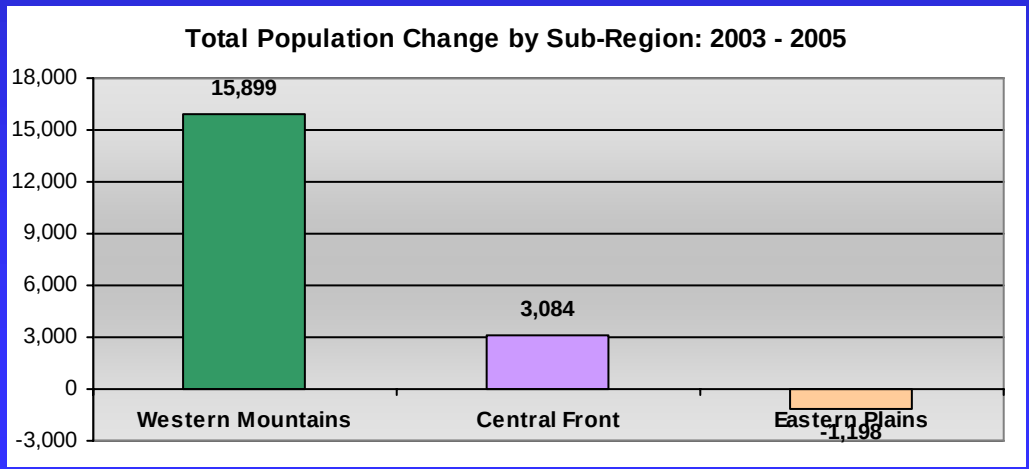
Montana's population grew by almost 120,000 people between 1990 and 2003, after very little growth in the '80s. Over 85 percent of this population growth was the result of net migration. Most of this growth is in the Western Mountain region (green bars), mainly in Gallatin, Flathead, Missoula, Ravalli, Lewis & Clark, and Lake Counties. Some of the growth is in the Central Front (purple bars), mainly in Yellowstone County. In the Eastern Plains (yellow bars), every county except one lost population.

Most Recent Population Change in Montana: 2003 – 2005

The chart shows the very most recent change (last two years) using the latest available data (July, 2005). Montana's population growth remains focused in a few areas with most of these in the Western Mountain region, with the exception of Yellowstone County in the Front.

All counties in the Eastern Plains, except two (Roosevelt and Hill Counties), lost population.





A More "Footloose" Economy – both People and Jobs.

Tremendous advances in information technology, combined with radical advances in communications and communications infrastructure, emergence of a services-based economy, further combined with a steady aging of the U.S. population and rapid increases in non-labor and more mobile sources of income .. have re-designed the modern workplace and re-organized the geography of economic activity.

Today's economy is much more "footloose" than yesterday's economy. Both people and jobs are moving around more freely and new patterns of migration are emerging. The "old" economy encouraged urbanization and sub-urbanization. The "new" economy increasingly encourages growth to occur mostly in places where people want to live.

Many mid-size cities and outlying non-metro areas – particularly ones with attractive communities in areas with high quality environmental amenities – have become very fast growing. And in the Interior West, many rural communities, surrounded by increasingly coveted and valued amenities are seeing increasing growth.

In the old economy, people followed jobs. In this newly emerging economy, jobs increasingly follow people and shifting migration patterns are bringing more people to the Interior West.

Dominant Trends that will shape the Region's Economy

Population In-Migration and Growth Net In-migration will continue, spurring continuing population growth in most areas throughout the region. Birth rates have been falling and death rates are gradually rising, slowing any population growth by natural change. Area amenities are the primary "magnets" for new migrants to the region.

Steadily Aging Population The population 60 and older will grow at a much faster rate than the population as a whole in the larger region. This has huge implications for the changing composition of area incomes, trends in housing construction, continuing growth in health care, and growing constraints on labor force expansion.

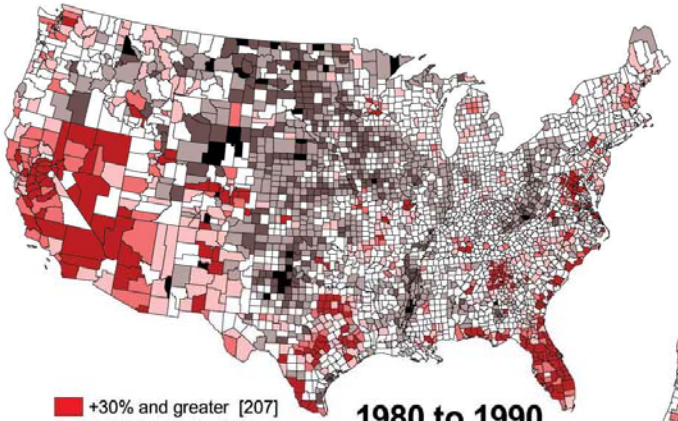
Continuing Economic Restructuring Growth in the larger regional economy will continue to be concentrated in service sectors like health care and professional and technical services. Growing areas will have high levels of employment in construction, real estate, and financial services. The region's economy as a whole will become more and more "human-resource based," placing a growing premium on the region's workforce development capabilities.

Future Expansion of Non-labor Income Sources Income growth from non-labor sources – investment income in the form of dividends, interest, rent, capital gains, etc., and transfer payments income (primarily Social Security and Medicare/Medicaid) – will grow at faster rates than income from all forms of employment. In many areas, income from non-labor sources will exceed local area employment earnings.

Better Positioning Communities for Future Growth and Change Many facets of economic development planning and programming, even finance, are shifting from national and state levels of decision making to local and sub-state regional levels. Local area leadership development and private-public interaction in areas of community development are becoming more important. There is much work to be done in better positioning communities for future growth and change.

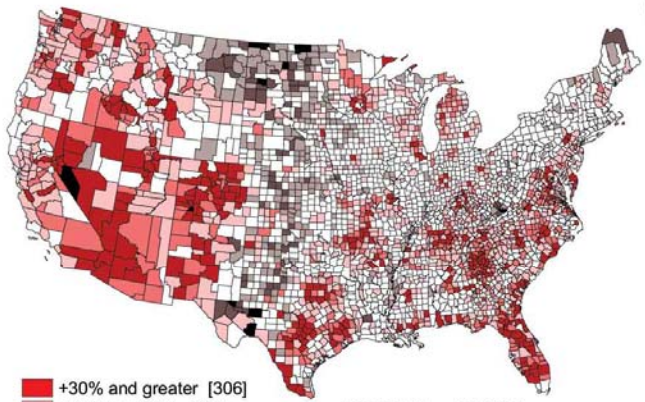
Areas of Rapid Growth or Decline

Regional patterns of population growth tend to shift from place to place from one time period to the next. The upper left map shows areas of fast growth (dark red) and moderately fast growth (medium red) during the decade of the '80s. Declining areas are shown in black and gray. Areas with little change in population are shown in white. The lower left map shows population growth and decline in the '90s and the map bellows shows growth and decline for the more recent 2000 to 2005 time period. Growth shifted into the Interior West in the '90s, but this has slowed in some areas more recently.



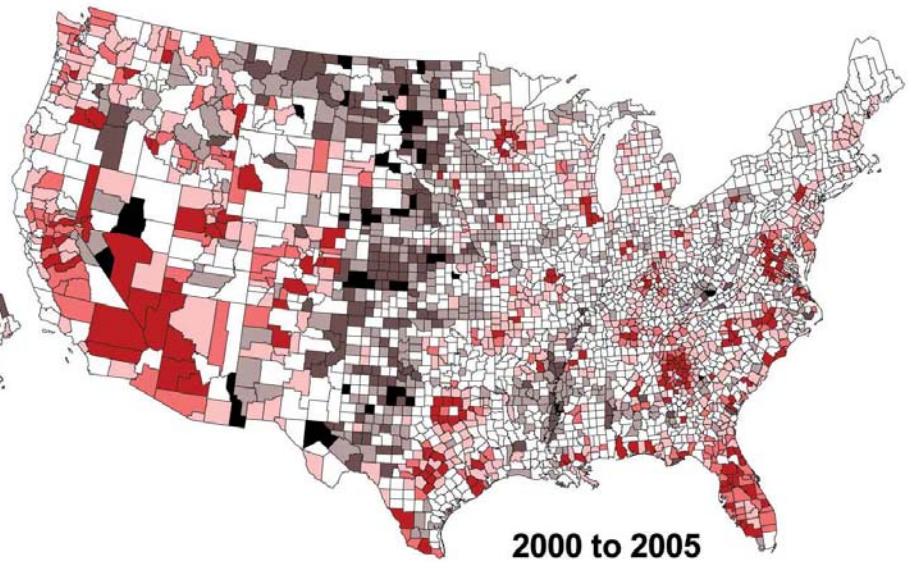
+30% and greater [207]
+20% to +30% [170]
+10% to +20% [299]
-4% to -12% [707]
-12% to -20% [244]
-20% and greater [36]

1980 to 1990



+30% and greater [306]
+20% to +30% [341]
+10% to +20% [728]
-4% to -12% [256]
-12% to -20% [62]
-20% and greater loss [14]

1990 to 2000



+15% and greater [182]
+10% to +15% [200]
+5% to +10% [523]
-2% to -6% [454]
-6% to -10% [159]
-10% and greater [47]

2000 to 2005

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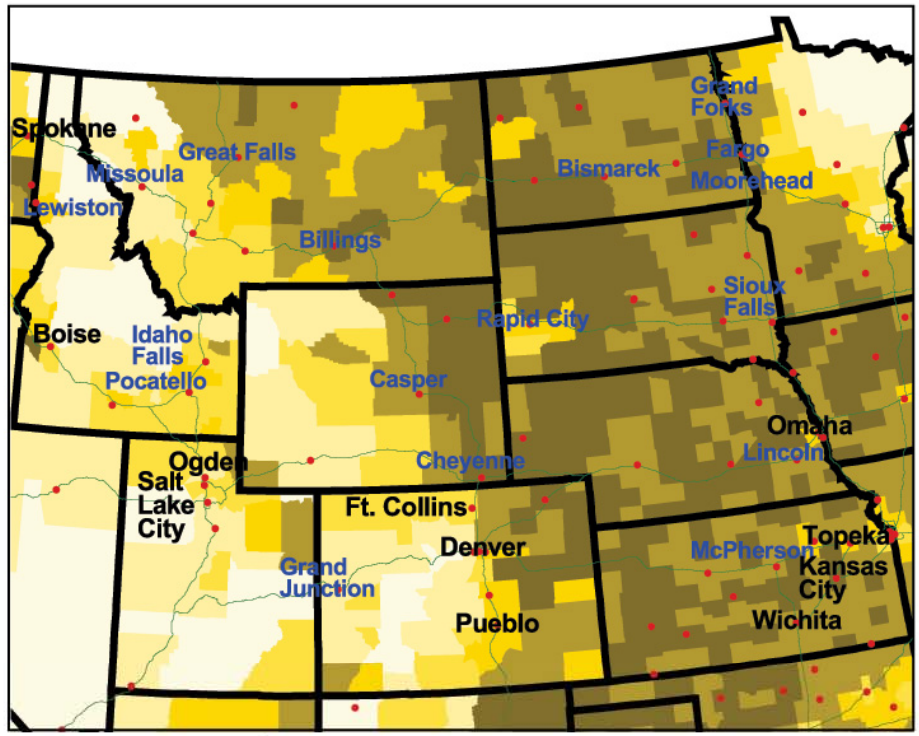
Regional Economies Assessment Database (READ)
The University of Montana, 2006

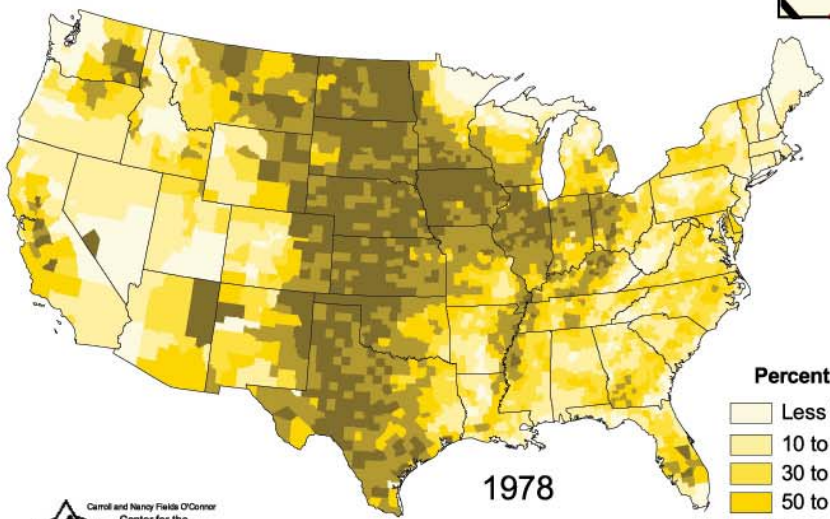
Source: Bureau of Census U.S. Dept. of Commerce.

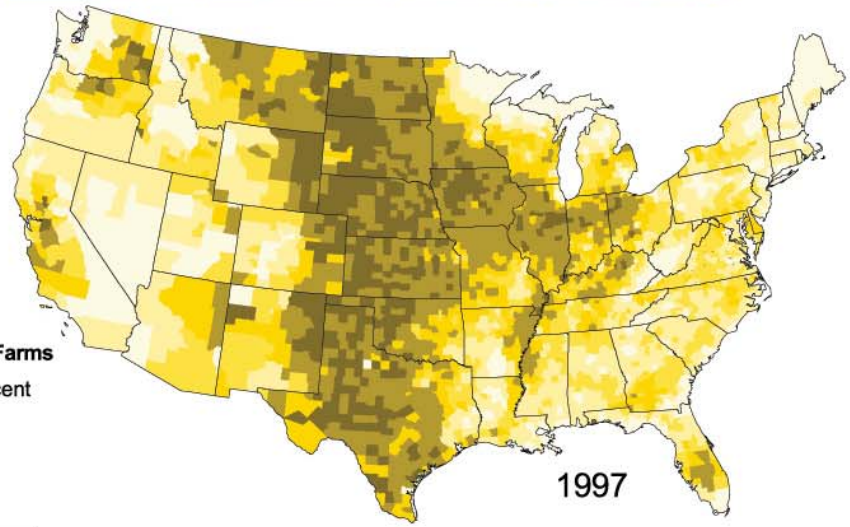
N3c

Land Area in Farms and Ranches

Area land characteristics and use heavily influence and/or are heavily influenced by the character and nature of area economic activity. The total land area dedicated to agricultural uses varies widely from place to place. The acreage of land in farms and ranches, as defined by USDA, is periodically estimated as part of the Censuses of Agriculture. The two U.S maps below show area concentrations of farm land in 1978 and approximately 20 years later in 1997. The map at the right focuses in on farm land concentrations in the 8-state region. Farm land concentration is greatest down the center of the country in the American Heartland. In the northern portion of this Heartland, farm land concentration is high across most of North Dakota and much of eastern and central Montana.







Percent of Land in Farms

- Less than 10 percent
- 10 to 29 percent
- 30 to 49 percent
- 50 to 69 percent
- 70 to 89 percent
- More than 90 percent

Carroll and Nancy Fields O'Connor Center for the Rocky Mountain West

Regional Economies Assessment Database (READ) The University of Montana, 2004

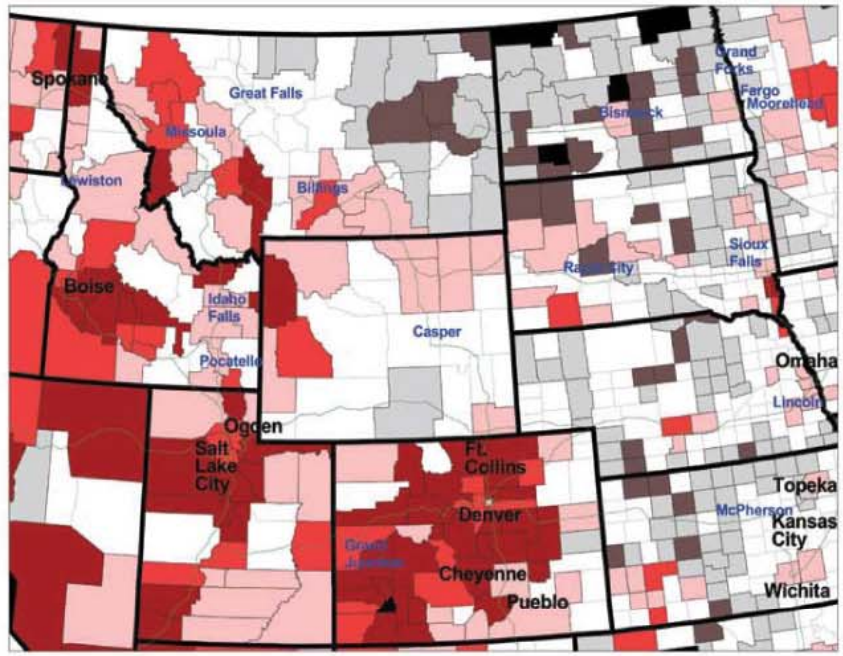
CT4C

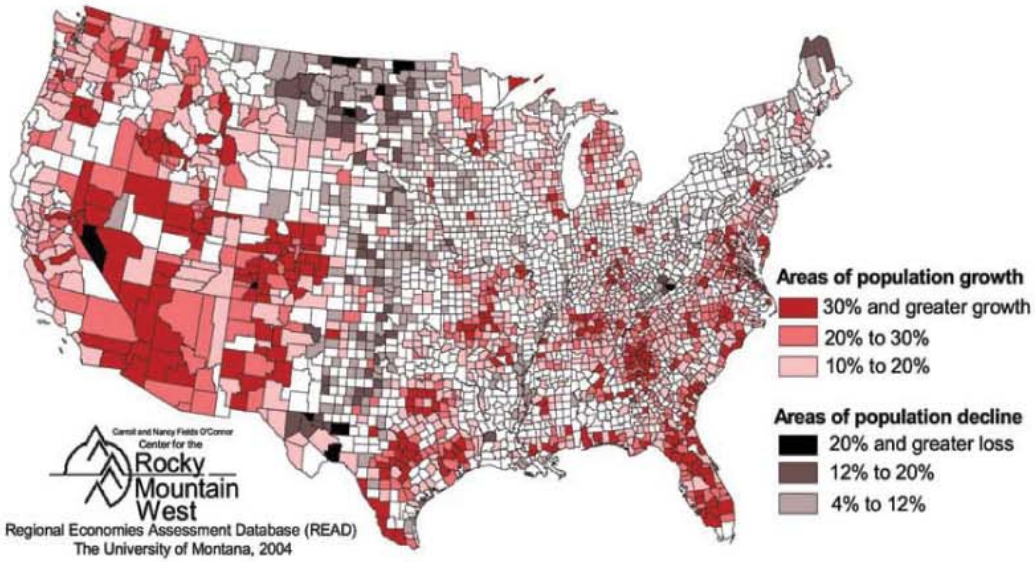
Areas of Major Population Growth or Decline, 1990 – 2000

Population change across the region is being heavily driven by migration patterns, including fairly heavy recent migration into many areas of the Western Mountain region, continuing out-migration from many non-metro or rural areas of the Eastern Plains, and a more mixed pattern along areas of the Central Front. The maps show areas of the nation and of the 8-state region where percentage population growth was the greatest – 30 percent and greater in the dark red areas and 20 to 30 percent in the medium red areas – and areas with the greatest losses in population – 20 percent and greater in the dark black areas and 12 to 20 percent losses in the medium gray ones. Areas shown in white (unscreened areas) are counties whose populations saw only little or moderate changes during the last decade, falling somewhere between gains of 10 percent and losses of 4 percent.

As can be seen, population growth is heavily focused in many areas of the greater Interior West, stretching from western Montana, Idaho and eastern Washington in the north to Colorado, Utah, and Nevada and further south into the larger Southwest region. Growth in Montana is heavily focused in the Western Mountain region – areas like the Flathead valley, the Missoula and Bitterroot valleys, Gallatin valley, and Beartooth area. Population decline remains focused in the Interior Plains region and is particularly heavy in the northern portion of the Plains region. Decline in Montana is heavily focused in the Eastern Plains region.

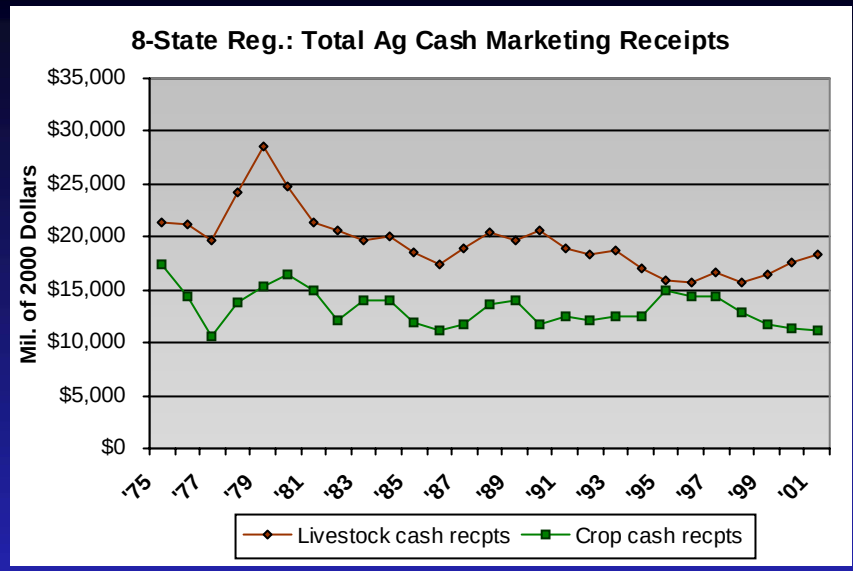
Along the Central Front, aside from the Colorado Front where growth remains high, the pattern is more mixed or less pronounced in one way or the other.

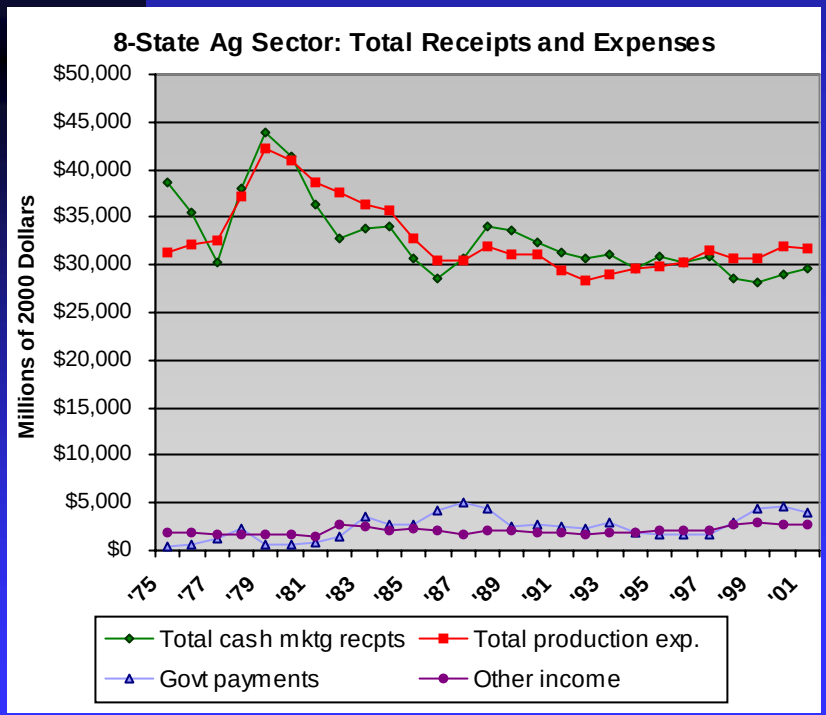


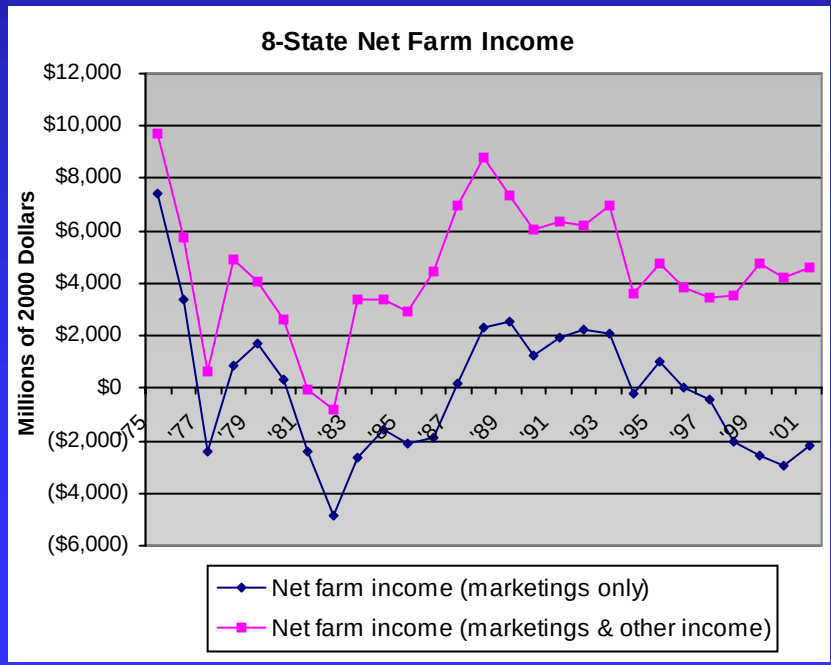


The Region's Struggling Ag Sector

Farmers and ranchers each year produce and sell around $30 billion in livestock and crops in the 8-state region. However, their expenses oftentimes exceed their cash marketings. And any reductions in expenditures over time have been off-set by reductions in receipts, as shown in the chart below. The split between cash marketing receipts from crops versus livestock is shown in the top right chart, with crop receipts exceeding those from livestock. And, from one year to the next, without the benefit of income other than these marketing receipts, the region's farmers and ranchers would oftentimes lose money, as shown in the bottom right chart. Government farm program payments to producers have been just under $5 billion annually in recent years. These plus "other income" (off-farm earnings primarily) in many years provide the margin of difference in overall net farm earnings.

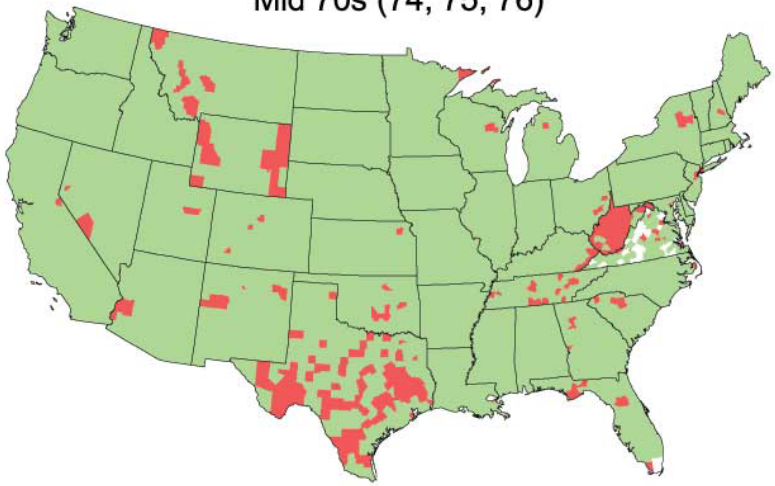




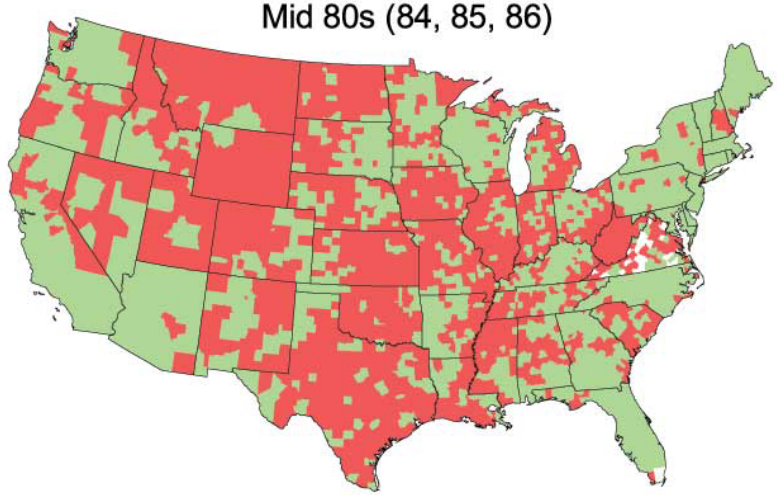


Ag Profitability in the U.S.

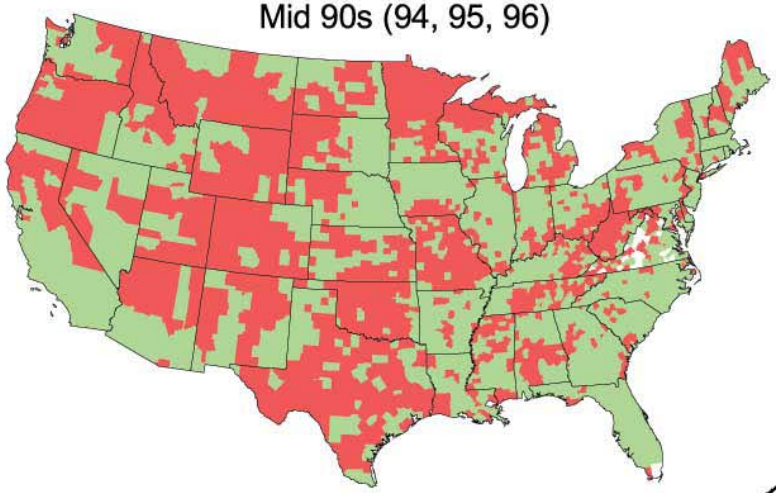
Mid 70s (74, 75, 76)



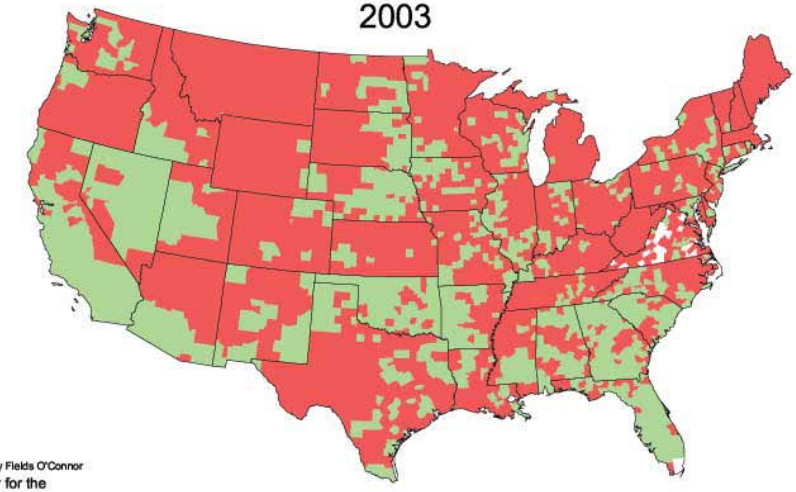
Mid 80s (84, 85, 86)



Mid 90s (94, 95, 96)



2003



Areas where ag production expenses exceed cash marketing receipts

Areas where ag cash marketing receipts exceed production expenses

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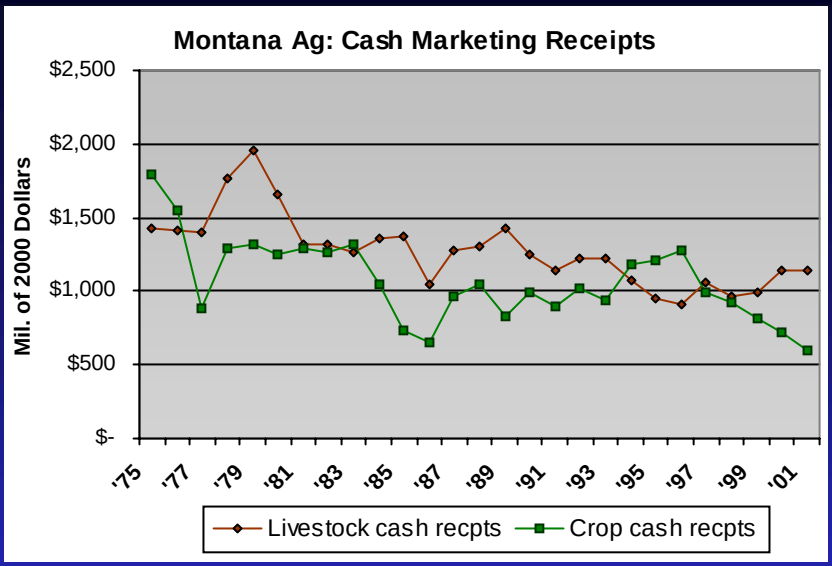
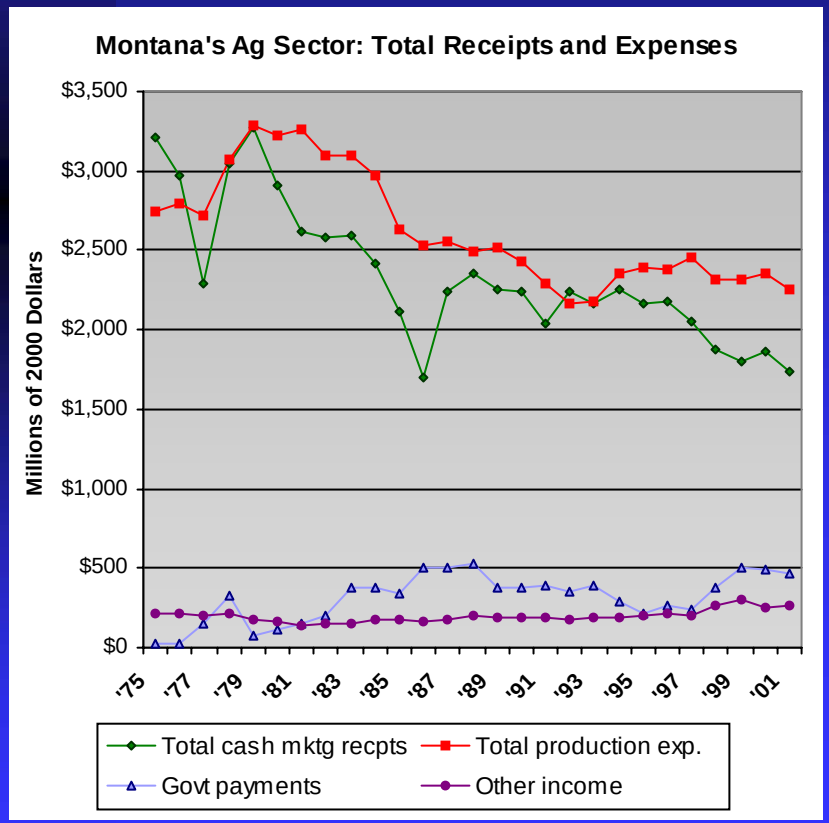
Doug Lawrence 2005

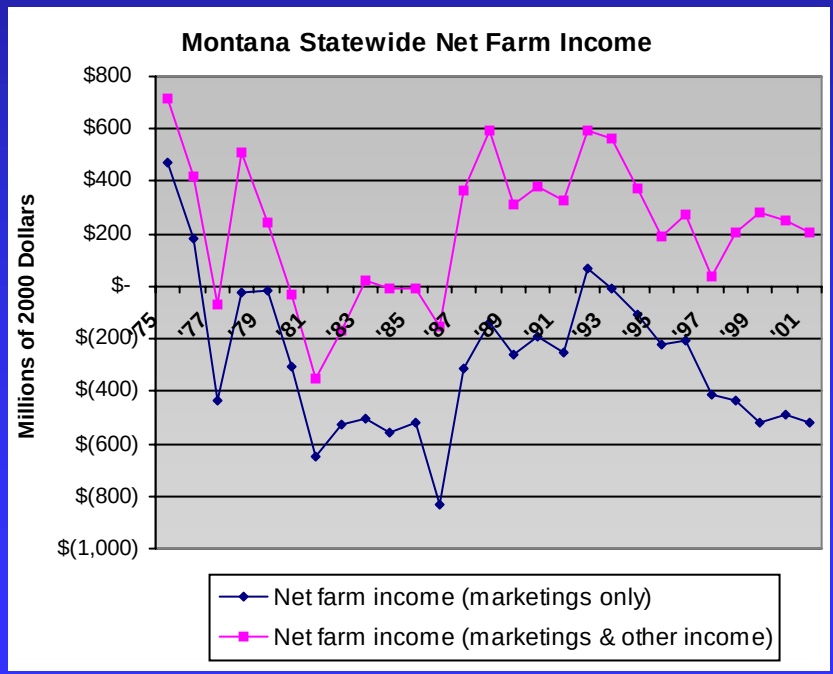
Ag4

Montana's Struggling Ag Sector

Agricultural producers in Montana have produced and sold just under $1.9 billion in crops and livestock annually in recent years, with receipts from livestock sales of over $1.1 billion and receipts from crop sales of $600 to $800 million. Their production expenditures, however, have hovered at $2.3 to $2.4 billion a year. Ag profitability hangs in the balance almost each year depending upon the level of farm program payments and "other" farm income, primarily off-farm earnings.



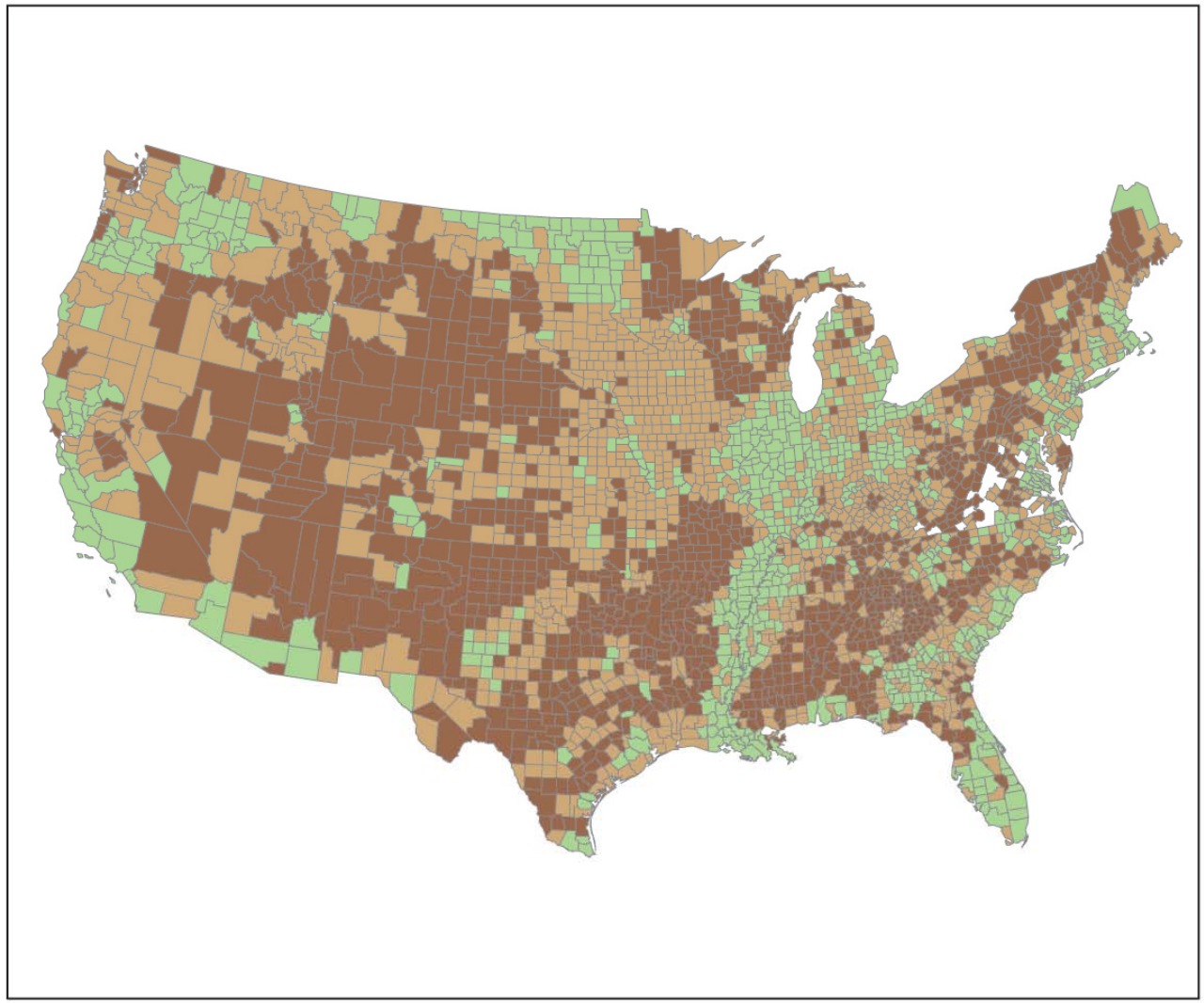




Agricultural Diversity in the U.S. Based Upon Crop and Livestock Receipts

The map shows areas of the U.S. based upon the orientation of their ag sectors. The dark brown areas receive 70 percent or more of their ag cash marketing from the sale of livestock or livestock products.

The green areas receive 70 percent or more of their marketing receipts from the sale of crops. The other areas falling between these have a mix of livestock and crop receipts.



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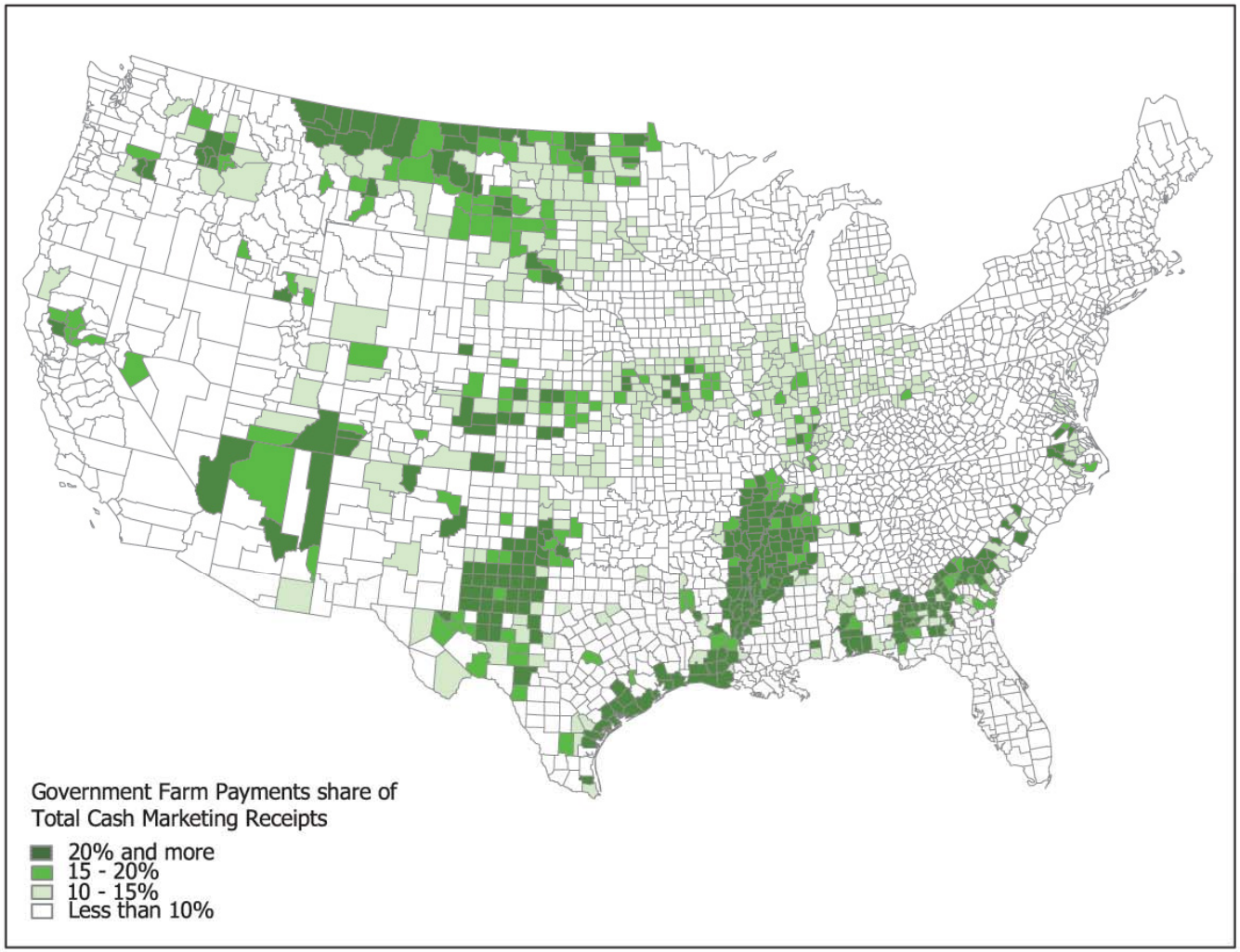
- Livestock receipts 70% and more of total cash marketing receipts
- Mixed crops/livestock
- Crop receipts 70% and more of total cash marketing receipts

Farm Livestock and Crops.mxd

Area Ag Dependency on Federal Farm Program Benefits

The Federal Farm Program provides subsidies and other measures for a variety of crops in the U.S., most noticably corn and soybeans, wheat and rice, and cotton.

The map shows areas of the U.S. where income received by farmers under these programs has the greatest impact on their incomes.



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Center for the
Rocky
Mountain
West

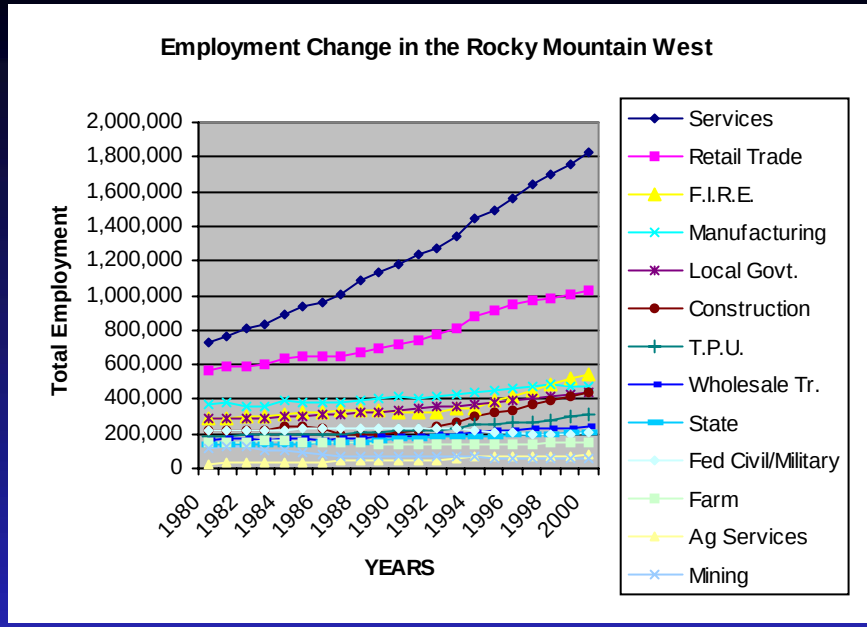
Farm payments.mxd

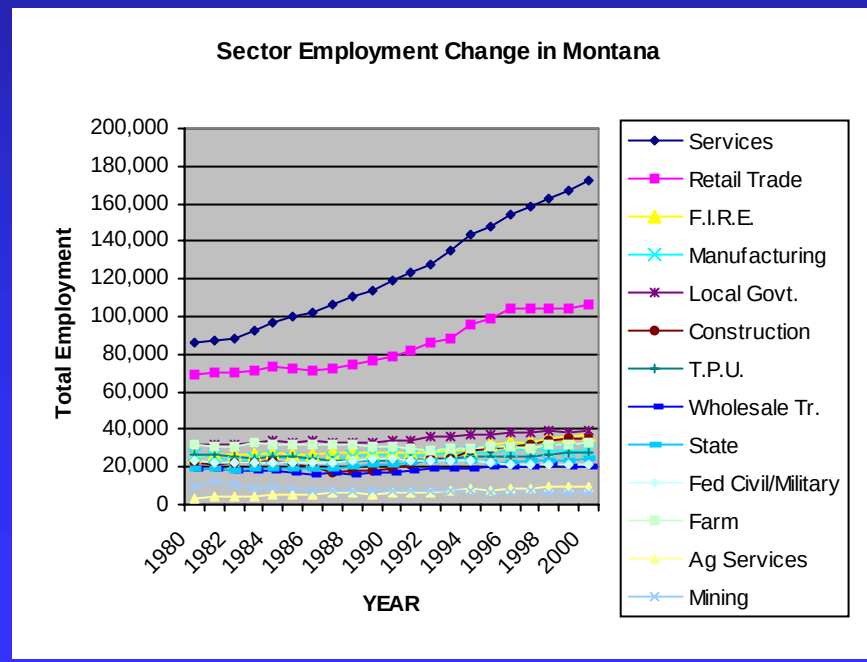
Recent Employment Change in the Fast-growing Rockies and in Montana

In the last decade when the economy of the Rocky Mountain West became one of the fastest-growing regional economies in the nation, employment growth in the broad services sector accounted for 37 percent of all new jobs in the region. The top chart shows employment change in the five-state region by major sector over the course of the last twenty years. There are 13 major sectors of the economy and two of these, services and retail trade, now account for nearly half of all employment. The sector with the third highest employment is Finance, Insurance, and Real Estate, or the F.I.R.E. sector, which is followed by manufacturing, construction, and local government (which includes public education).

There is a common perception in Montana that the state's economy is deteriorating, with many citing the growth in service and retail trade jobs and the loss of other "good" jobs in the economy. In actuality, the changing mix of jobs in Montana closely parallels the changing mix of jobs in the larger Rocky Mountain West region; which has seen significant gains in economic performance in recent years. In the last decade while service jobs grew by 37 percent in the fast-growing Rockies, they grew by 42 percent in Montana. And, while services and retail trade now account for nearly half of all jobs in the Rockies, they accounted for 49 percent of jobs in Montana in 2000.

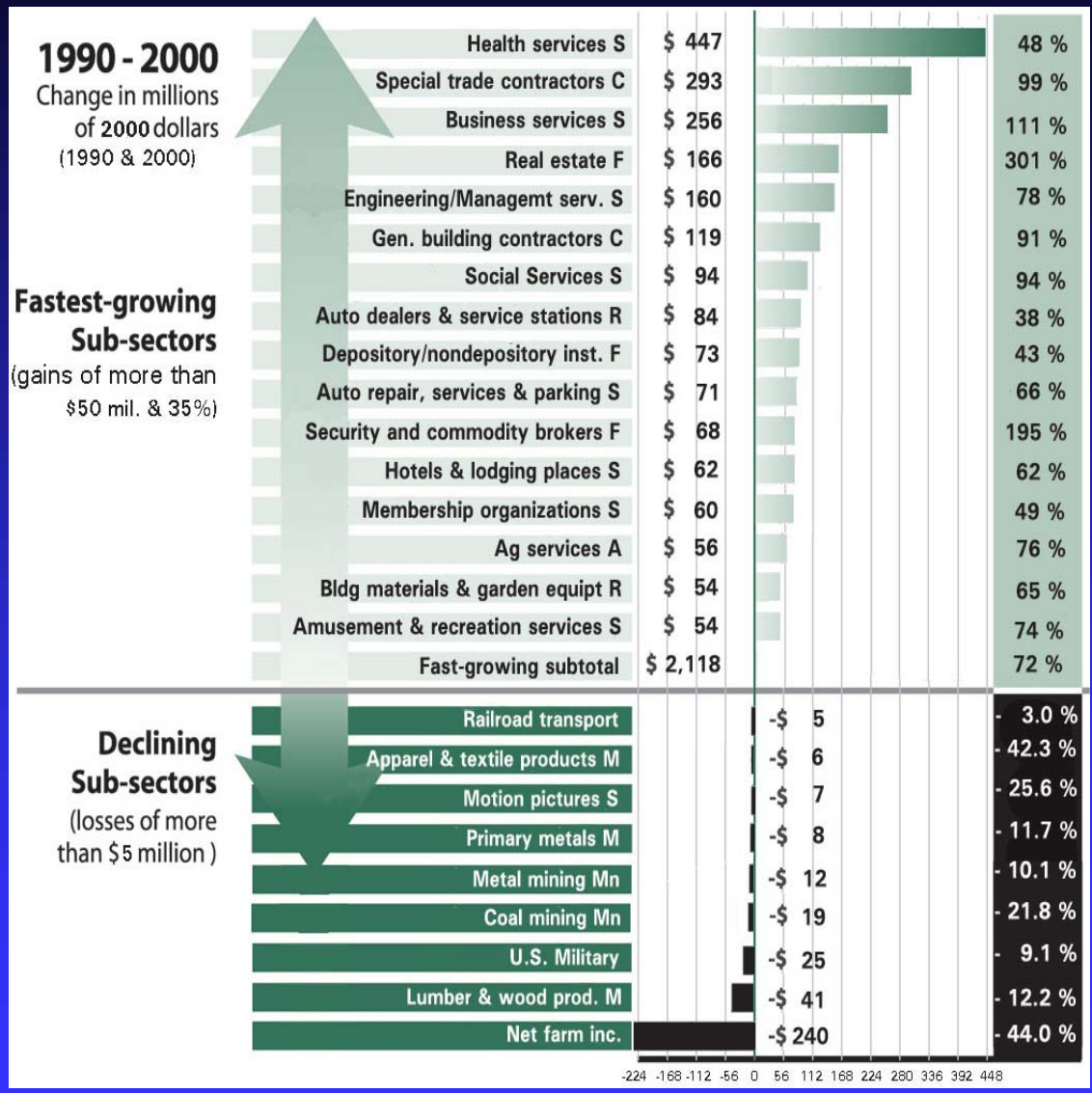
When you compare employment trends in Montana with the larger Rocky Mountain region, there are differences. F.I.R.E. is also the fourth highest major sector of employment rather than third as in the Rockies. Manufacturing is seventh, rather than fourth. And farm and ranch employment is sixth in Montana rather than twelfth.





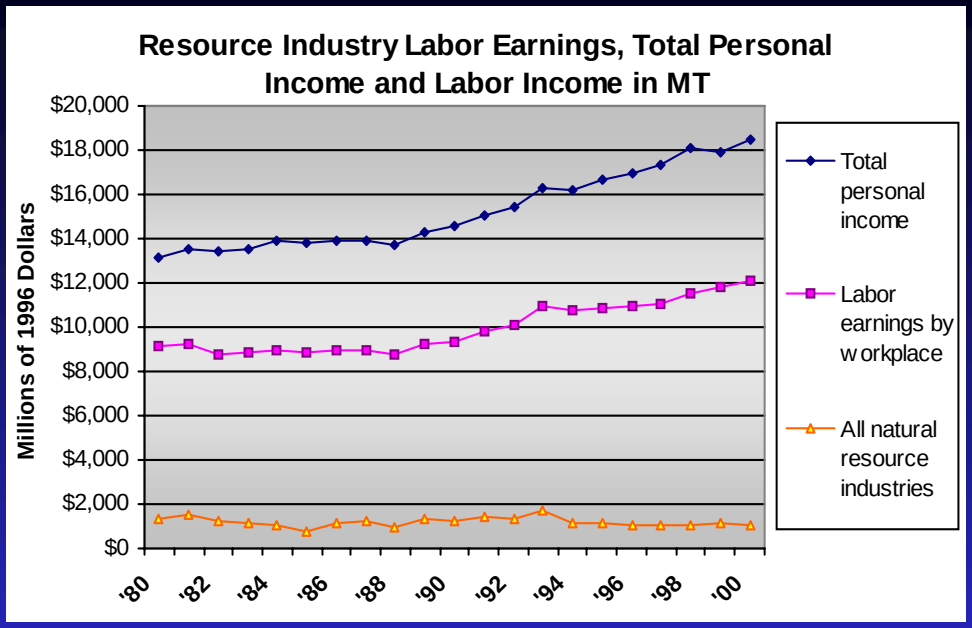
Fast-Growing and Declining Sub-Sectors in Montana

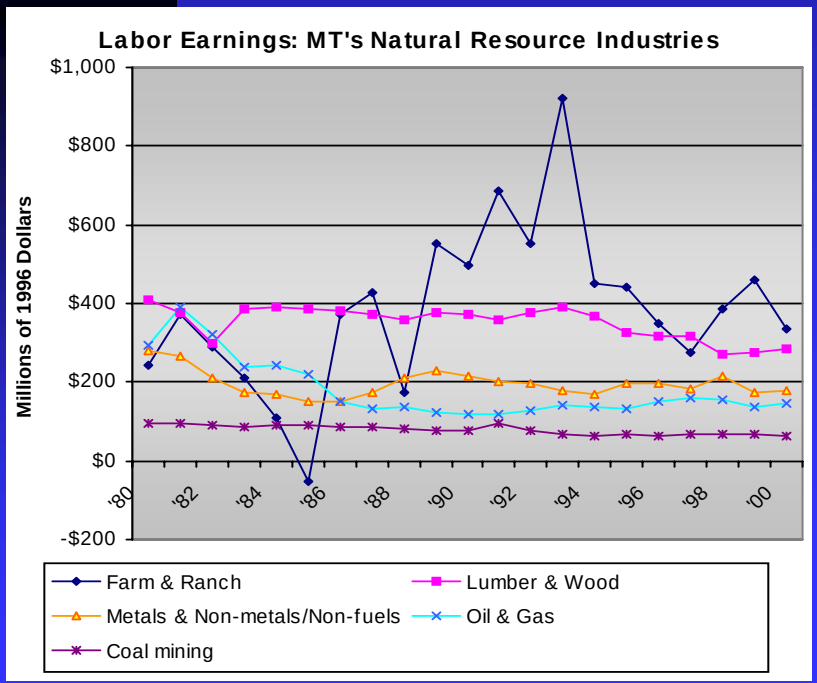
Big Changes in the Economy The one constant in the economy, as in life, is change. And change in the economy seems to be accelerating. Different segments of the economy are affected differently by these changes. Some are expanding rapidly, while others decline. There are over 75 individual sub-sectors of the economy. The chart above shows which of these are fast-growing or declining during the decade of the '90s – a period of accelerated growth and fairly dramatic economic restructuring. Growth is most heavily focused in a wide range of service sub-sectors – particularly health care, business services, engineering and management services, and social services. Areas of finance, insurance, and real estate, as well as construction also are fast-growing. Only sixteen of the more than 75 sub-sectors of the economy, listed in the top portion of the chart above, accounted for two-thirds of all growth in labor earnings in Montana during the '90s. Conversely, decline in the economy is concentrated in an even smaller number of sub-sectors and most are longstanding industries. These include the natural resource industries of mining, logging and wood products, and agriculture. Also included is railroads and the U.S. military, which has been consolidated throughout the West.

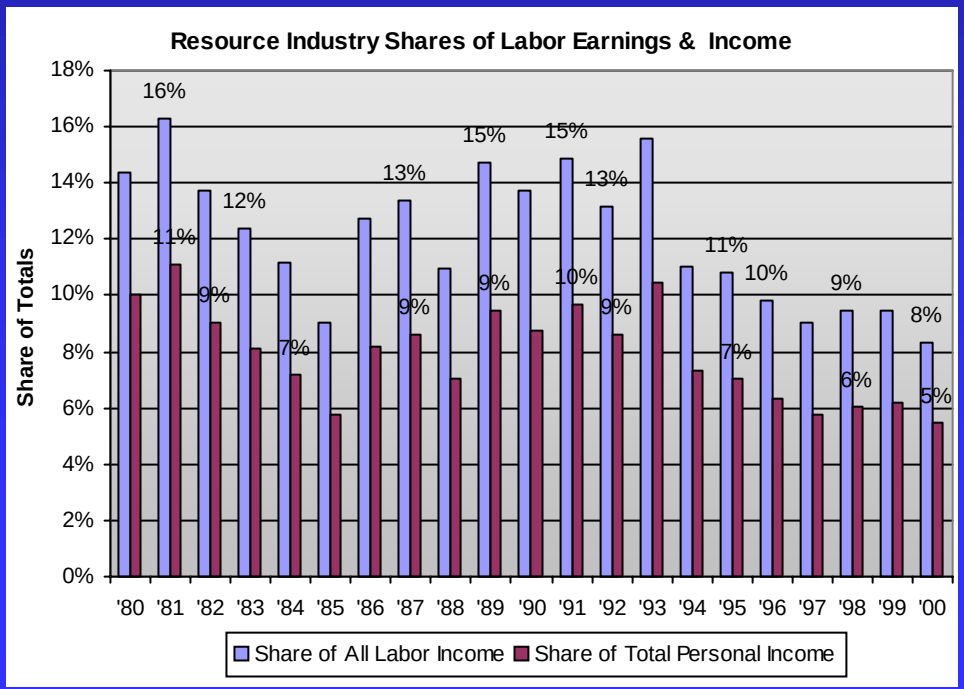


Consolidation and Decline in Montana's Natural Resource Industries

For much of the state's history, Montana has depended on these pillars of the economy – agriculture, mining, and wood products. Year-by-year net earnings in agriculture are erratic, and wood products earnings are flat or declining, as are earnings in mining. In spite of this decline or stagnation in the state's natural resource industries, the larger economy has continued to grow, with growth in fact accelerating during the last decade. Resource industries' share of all labor earnings has fallen from 16% in the early '80s to 8% by 2000 and continues to fall.





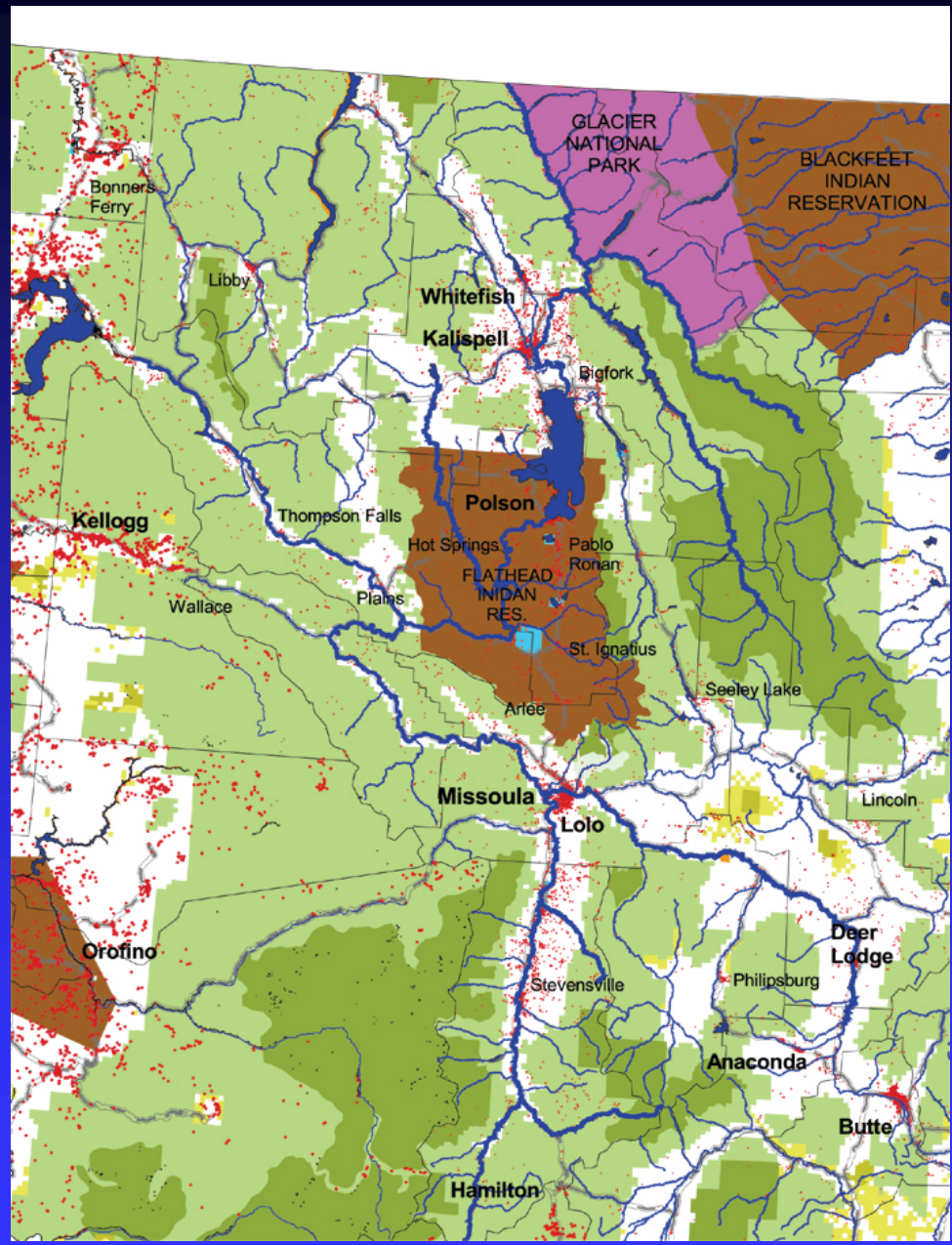


The Clark Fork River Basin Area Economy

By Dr. Larry Swanson
O'Connor Center for the Rocky Mountain West
The University of Montana

The Clark Fork River extends from its source in Silver Bow Creek near Butte north through Missoula and further north through Plains and Thompson Falls and across the Montana-Idaho border into Lake Pondera. Major tributaries include the Bitterroot River, which runs north through Ravalli County and into the Clark Fork near Missoula, and the Flathead River, which runs south through Flathead County into Flathead Lake and further south to join the Clark Fork south of Plains.

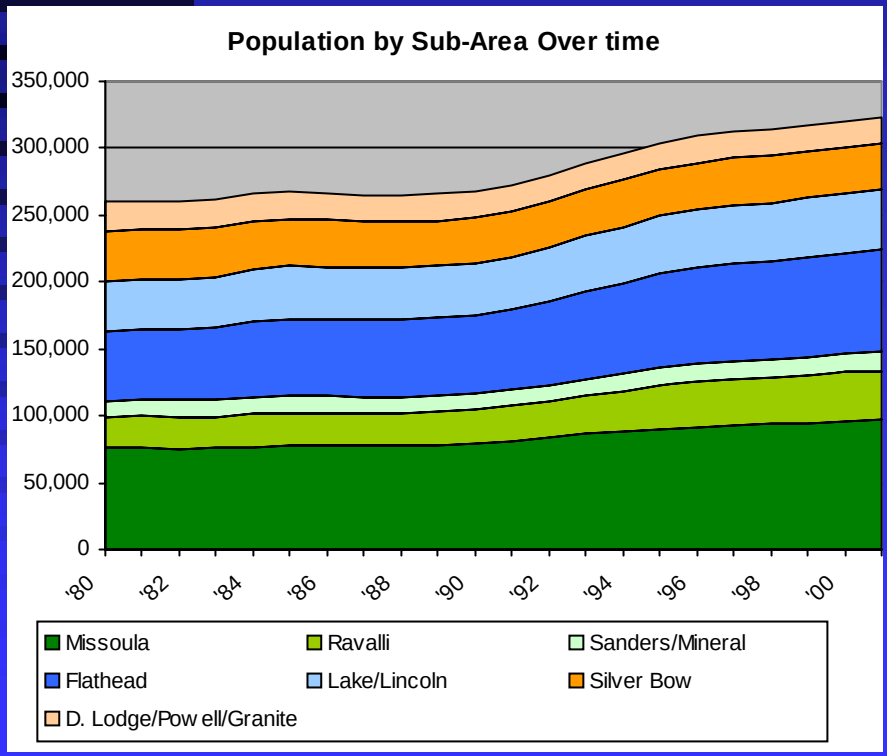
Over 330,000 people live in the 11 counties that generally occupy the Clark Fork Basin within Montana. The largest cities are Missoula (60,000), Butte (32,716), and Kalispell – Whitefish (21,000). Most land within the basin area is some type of federal public land, including national forests, wilderness areas, national parks, and reservation.

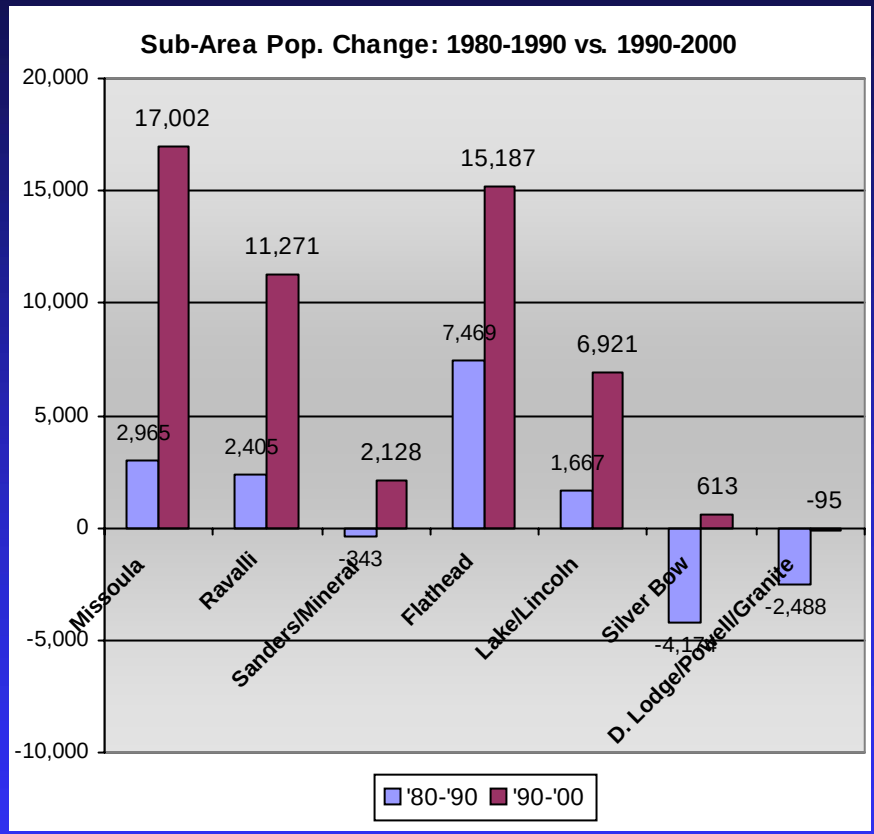


Population Trends by Major Sub-Area

The population of Montana's Clark Fork basin is examined by major sub-area including Missoula County (the area's most populated county with its largest city), Ravalli County (the Bitterroot Valley area south of Missoula), Sanders and Mineral Counties (rural areas northwest of Missoula), Flathead County (the second most populated area county), and Lake and Lincoln Counties. Silver Bow County, where Butte is located, is shown next to combined data for its nearby counties of Deer Lodge, Powell, and Granite.

In the twenty years between 1980 and 2000, the population of the 11-county area increased from 268,000 to over 320,000, up 52,000 people or 19 percent. Growth accelerated in the 1990s with most of this growth focused in only three of the counties – Missoula, Flathead, and Ravalli.

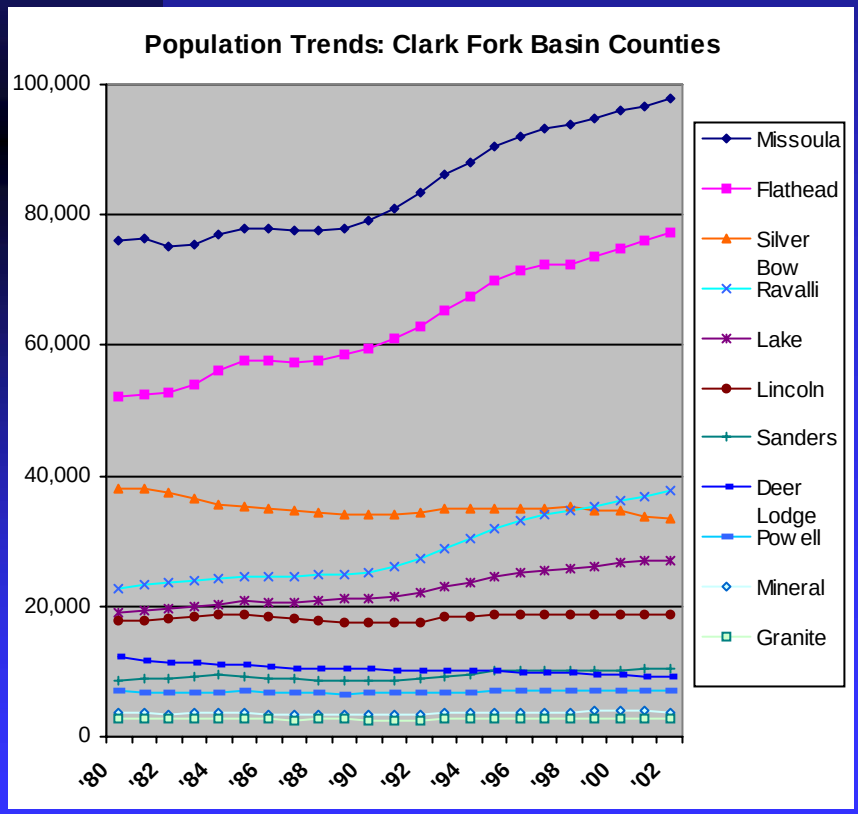




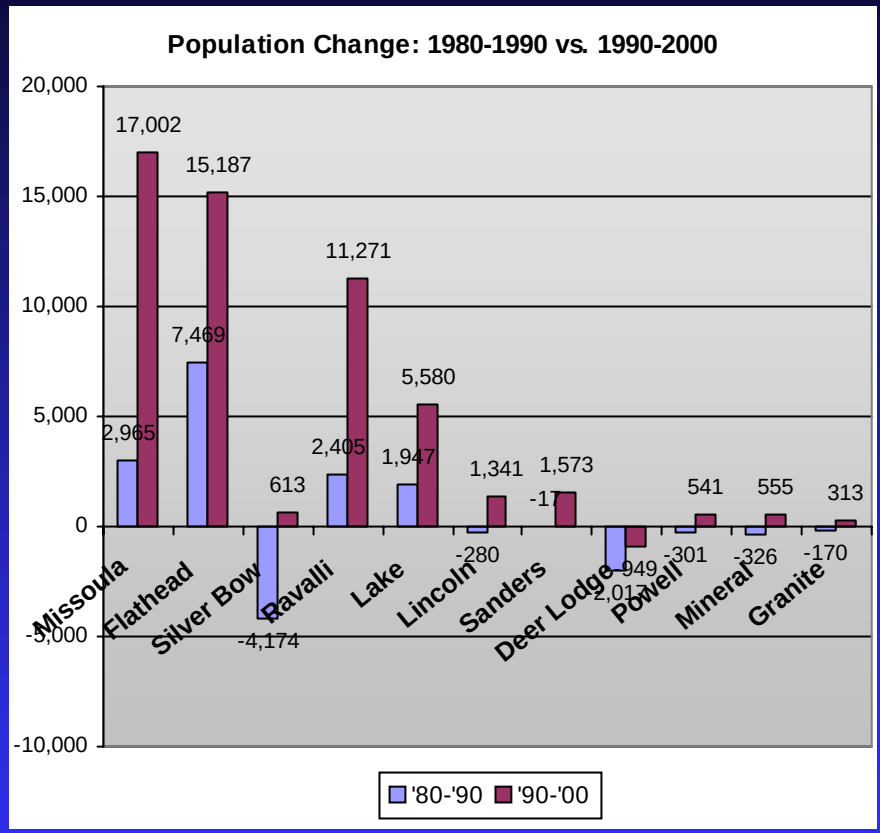
During the 1990s over 60 percent of the area's population growth occurred in its two most populated counties. In 2000 Missoula County accounted for 30 percent of the area population. Flathead accounted for 23 percent and Ravalli and Silver Bow accounted for about 11 percent each.

Population Trends by County in the Clark Fork River Basin Area

Population trends are examined by county, with counties generally listed by population from top to bottom in the chart below. Missoula's population has grown to 98,000 in 2002. Flathead's reached over 77,000. Next largest is Ravalli at 38,000 followed by Silver Bow at 33,500 and Lake at 27,000. The other six counties all have populations of less that 20,000 people.



The chart below shows population change by county for the last two decades, showing where growth has been focused.



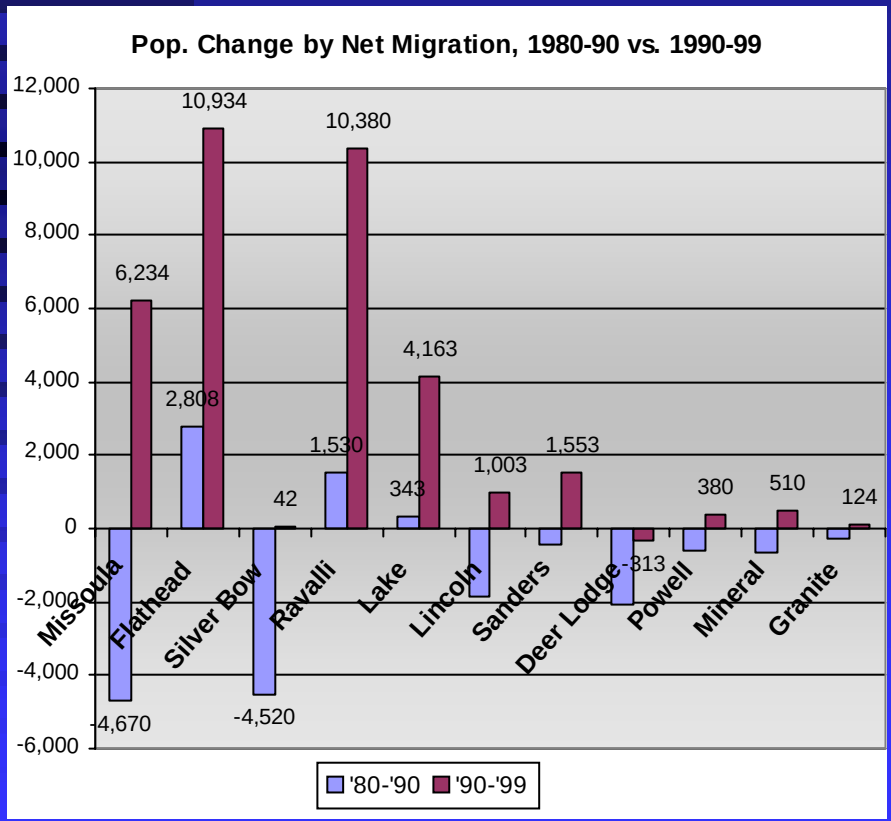
The greatest population growth is occurring in Missoula, Flathead, Ravalli, and Lake Counties, which together saw growth of over 49,000 people. These four counties, along with Silver Bow, are where over 90 percent of the area's total population of more than 320,000 residents now live.

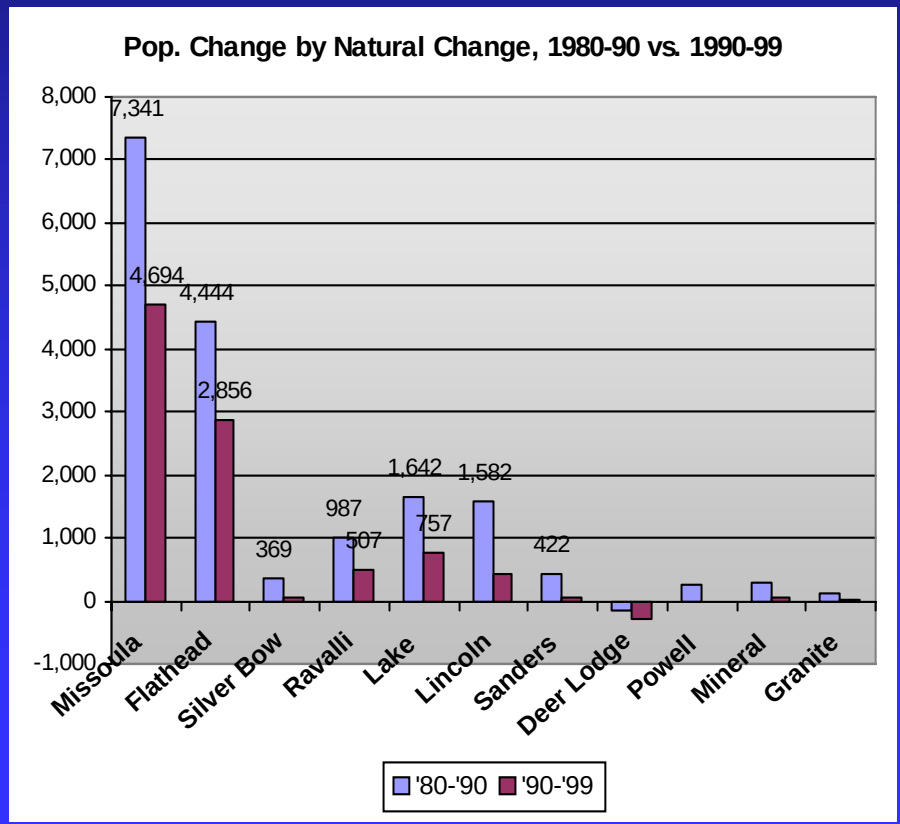
In comparing growth during the two decades, it can be seen that growth across the entire basin area has accelerated. Most of this growth resulted from greatly increased rates of net migration during the 1990s.

Population Change by Major Component: Net Migration versus Natural Change

From 1980 to 1990, 10,400 more people moved from basin area counties than the number moving to them, considering only those changing their county of permanent residence in the process. But in the period from 1990 to 1999, 35,000 more people moved to area counties than the number moving away, a complete reversal of net migration trends.

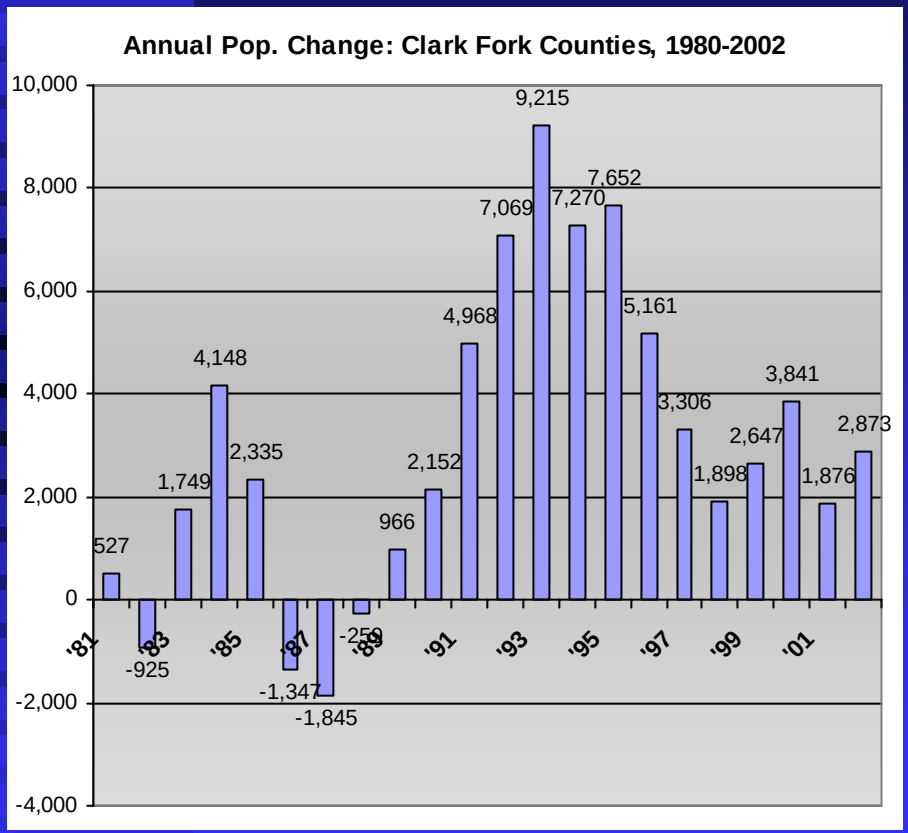
Flathead and Ravalli had the highest levels of net migration in the latter period, followed by Missoula and Lake. Across the entire basin net migration shifted dramatically, reflecting a similar shift in migration patterns regionally. Many non-metro and rural areas of the interior West (the Rocky Mountain region in particular) saw high levels of net migration during this period, particularly areas that may be considered "high" in area amenities. But, while net migration grows, population growth through "natural change" (the net of births and deaths) is falling because of aging among the population and falling birth rates.



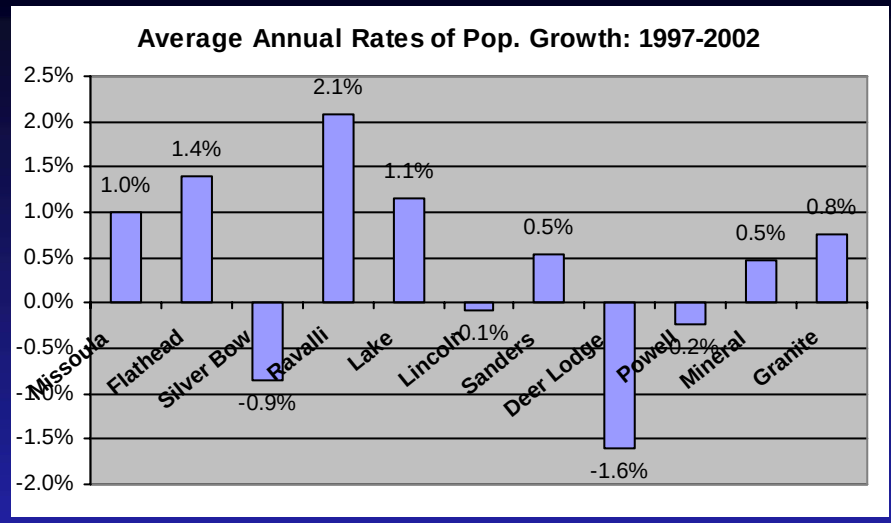


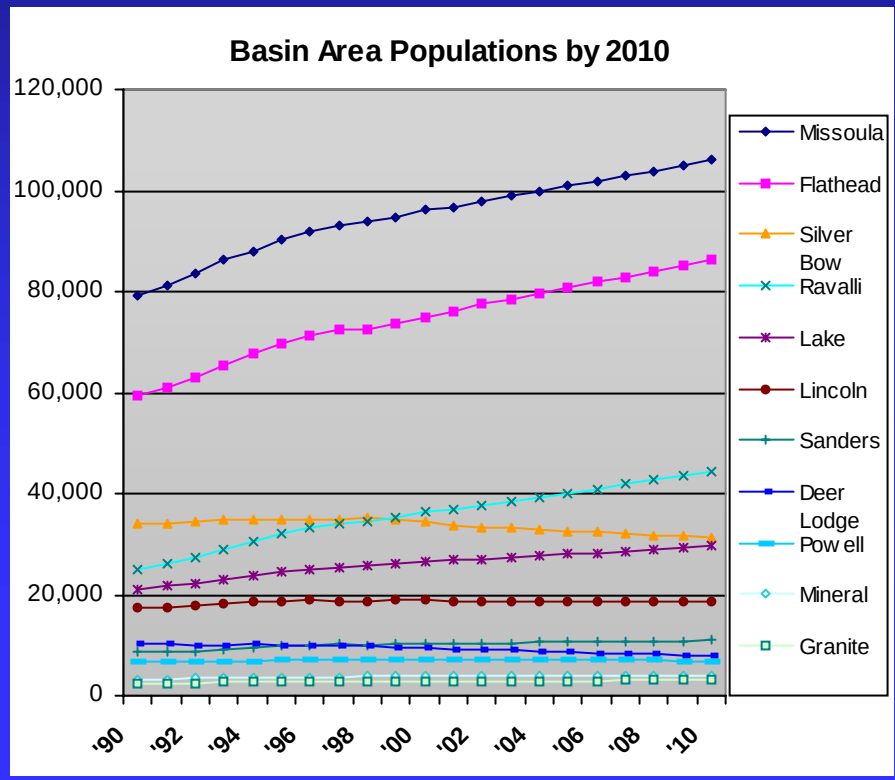
Recent and Anticipated Rates of Population Growth

The chart below shows population growth year by year over the last twenty years basin wide. Growth was highest in the early and mid-1990s, but has slowed more recently.



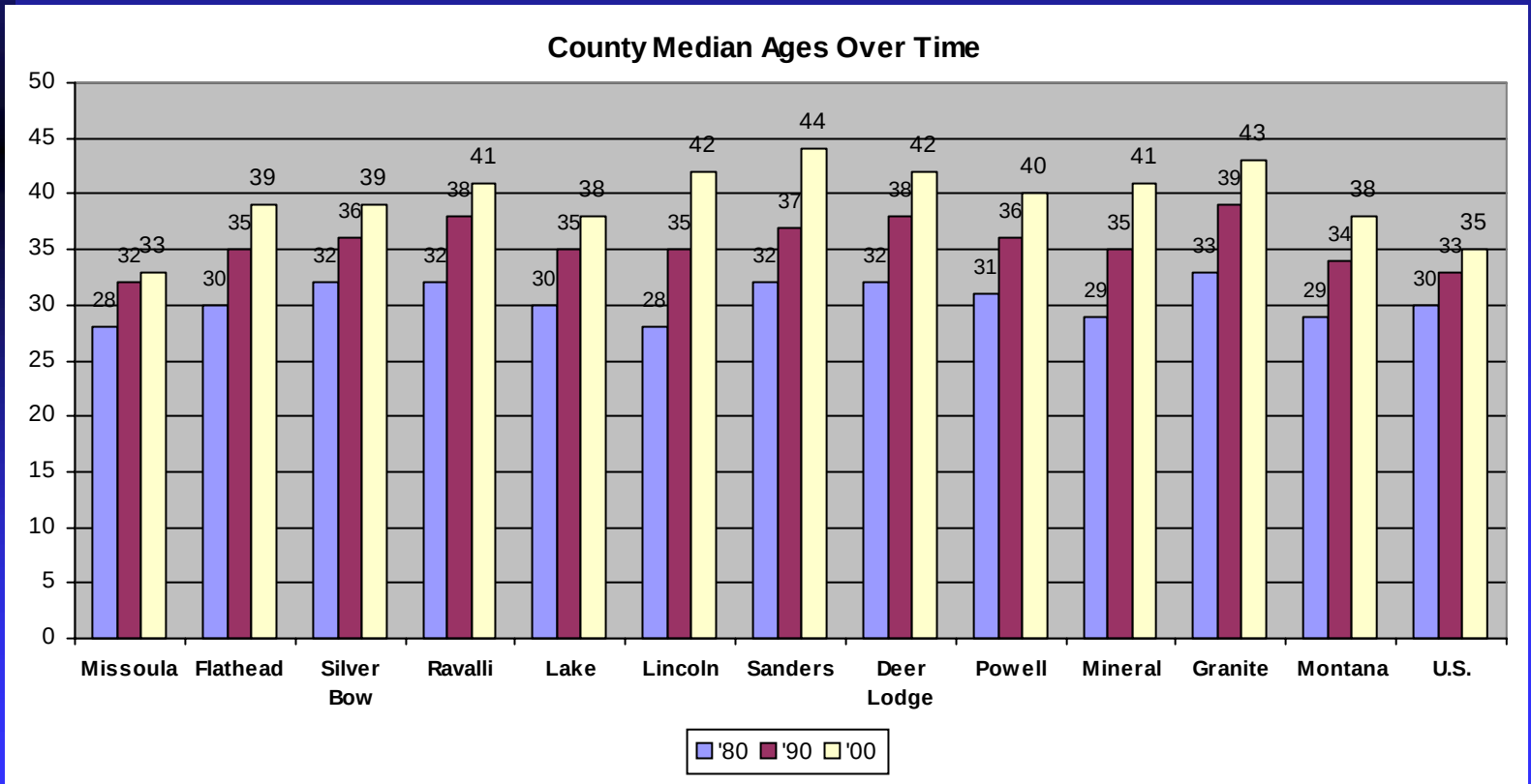
Using average annual rates of growth for each county from 1997 to 2002 (shown in the upper right chart), population for area counties is projected through 2010. At these rates, population will reach 350,000 by decade's end.





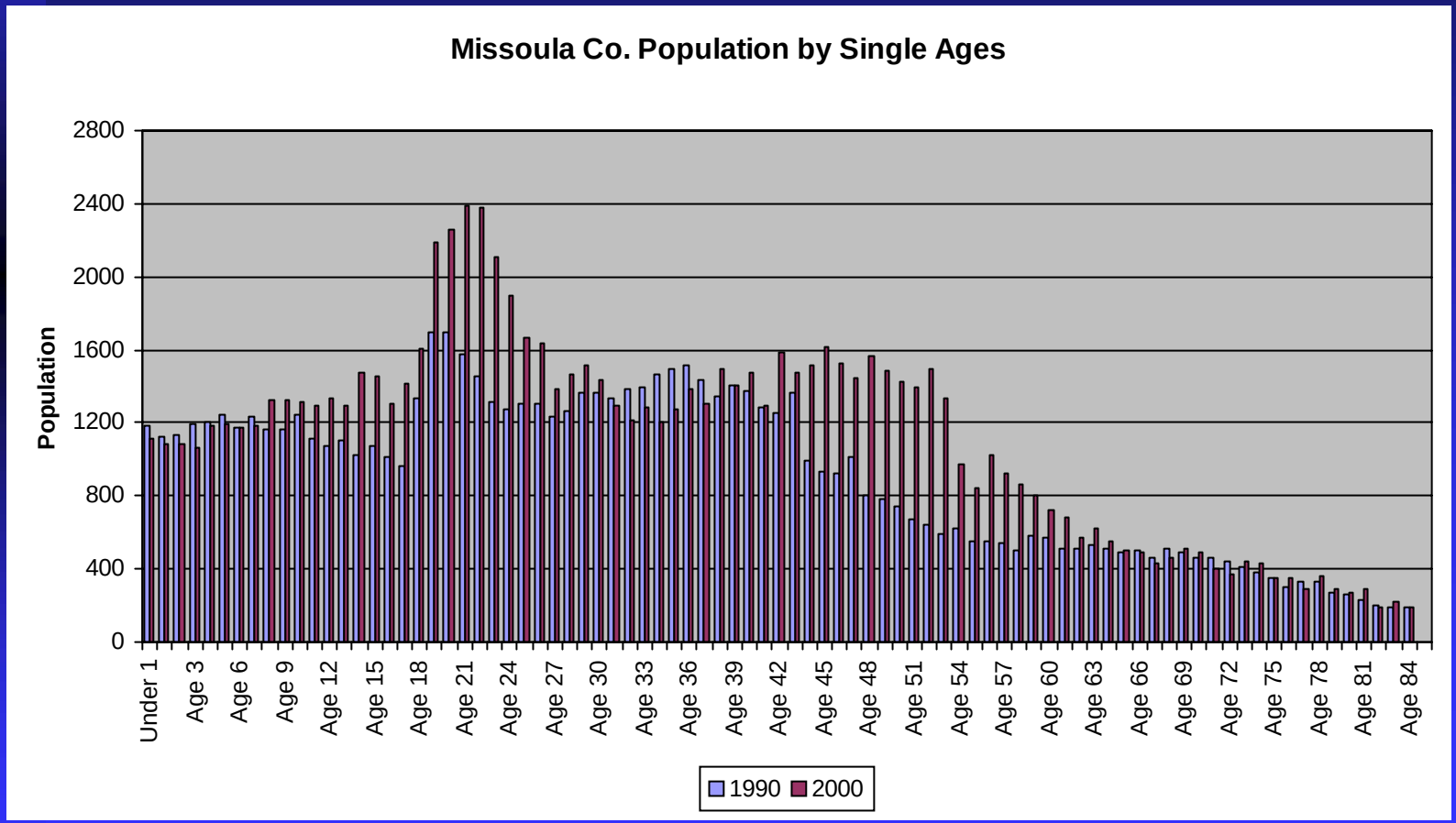
Trends in Population Aging in the Area and Nationwide

As the population of the Clark Fork basin area has grown, it has also aged. This is consistent with population aging more generally in the United States and is the result of very high birth rates during the 15 to 20 year period following World War II. Persons born during this period are commonly referred to as "baby boomers" and, today, these persons are now in the 40s, 50s, and early 60s. The children of these baby boomers ("echo" group) are largely at ages from 10 to 30. The gradual aging of this large population of baby boomers is in part revealed in the steady rise in median age among the population. The median age of the U.S. population has risen from 30 in 1980 to 35 in 2000. It's rise is somewhat countered by international migration, with foreign migrants to the U.S. often younger on average than the U.S. population. At the same time, domestic migration – migration within the U.S. by residents changing their counties of residence – is heavily made-up of baby boomers themselves. Hence, Montana's population, boosted by domestic net migration, is aging faster than the U.S. population. Within the basin area, median age among all counties is rising.



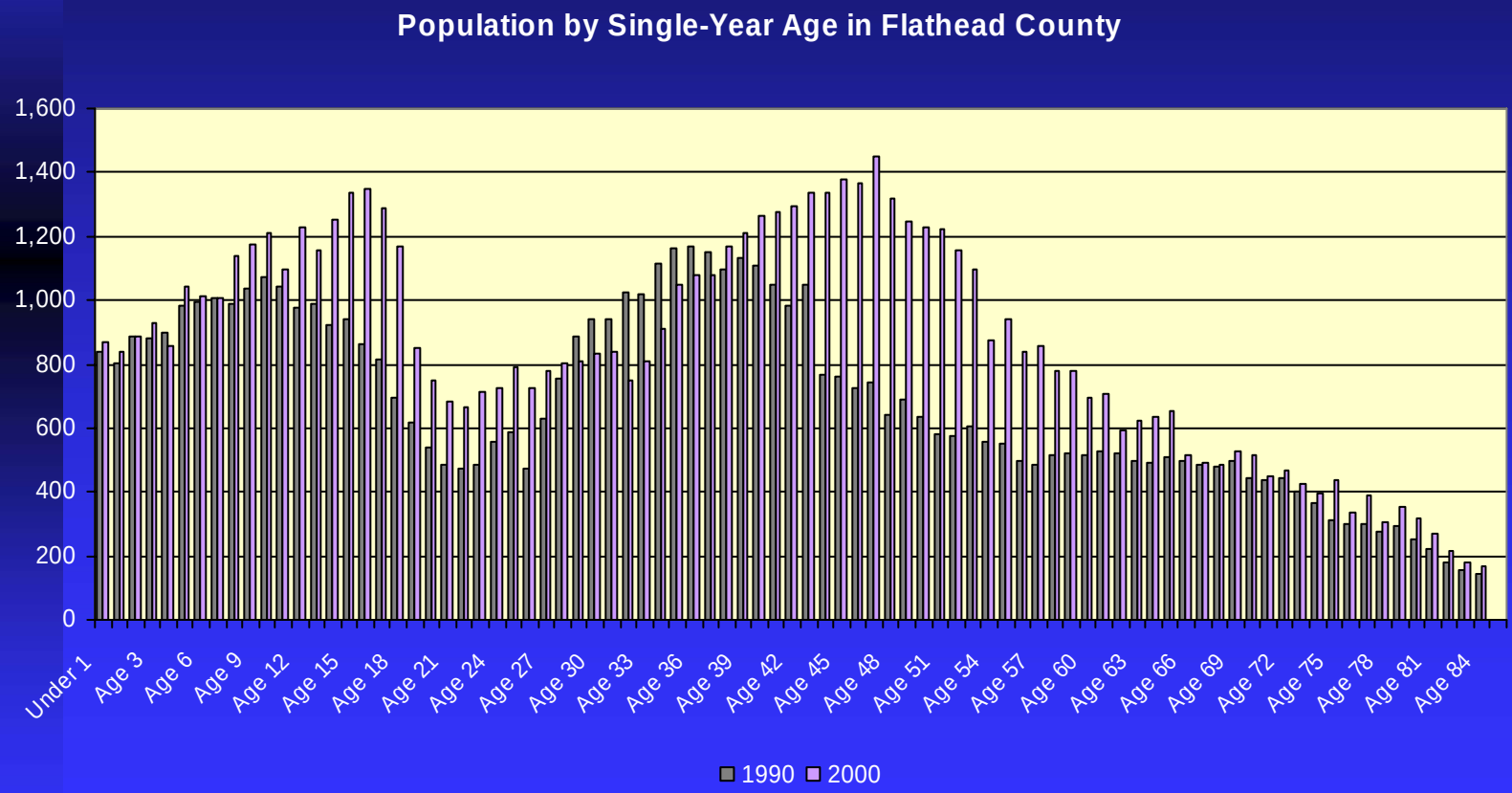
The Missoula Co. Pop. in 1990 versus 2000 by Single Ages

The chart shows population change in Missoula County by single age for 1990 versus 2000. Population growth is concentrated among adults at ages between their early 40s and early 60s, as well as among older children. Growth among persons in the early 20s primarily reflects University of Montana enrollment growth.



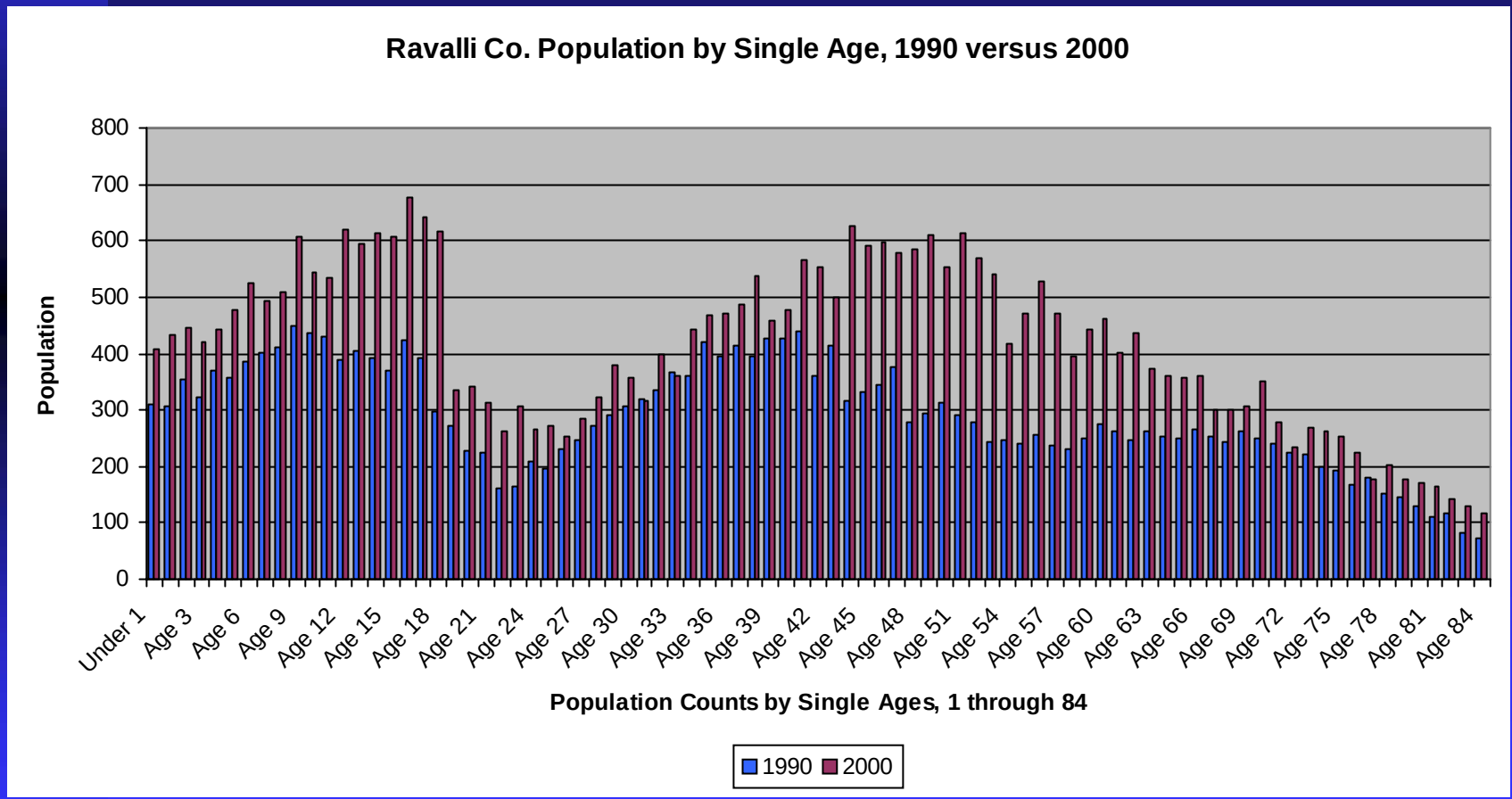
The Flathead Population in 1990 versus 2000 by Single Ages

The chart below shows where population growth in the Flathead has been the greatest over the last decade. Population growth is focused among adults at ages between their early or mid-40's to mid-60s. Among the younger population, growth is focused among the high-school age population, or persons between 12 and 18.



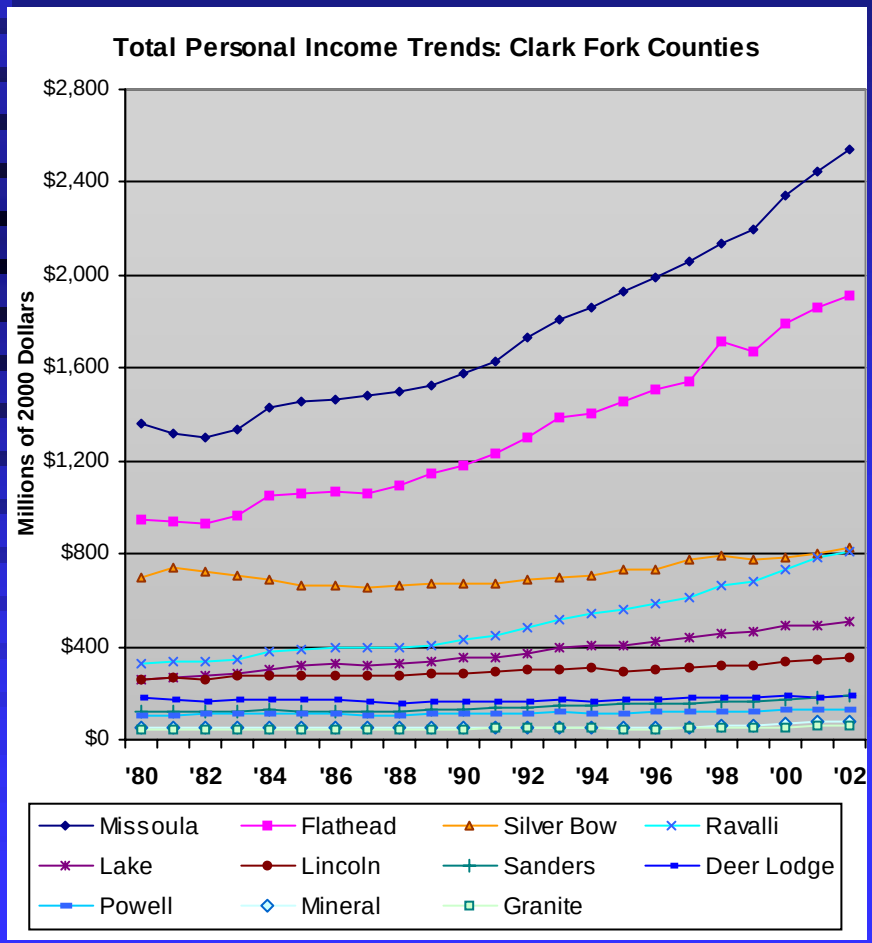
The Ravalli Co. Population in 1990 versus 2000 by Single Age

The chart shows population change in fast-growing Ravalli County over the last decade by single ages. Population growth is clearly focused among adults at ages between their early 40s and early 60s ("baby boomers"). Growth also is high among older children.

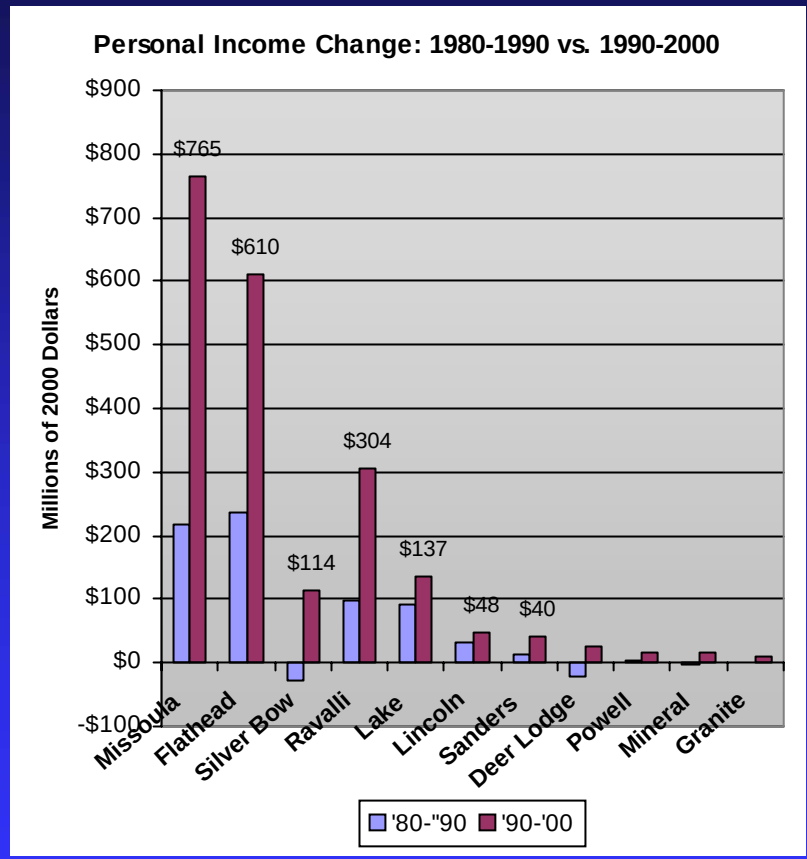


Area Personal Income Growth

Total personal income is all income received by private individuals and households from all sources, including employment earnings, investment income, and transfer payments. The income base of the entire 11-county area exceeded $7.6 billion in 2002. Basin-wide personal income steadily grew from $4.4 billion in 1980 to $5.0 billion in 1990 and to $7.1 billion in 2000, as in 2000 inflation-adjusted dollars. The chart below shows income growth by county.



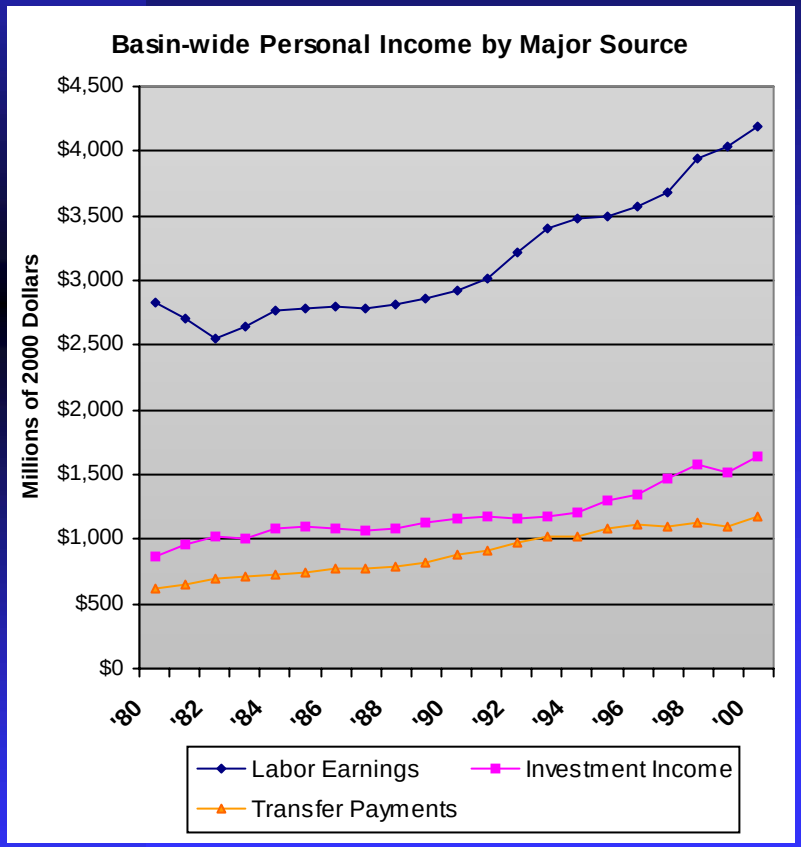
Personal income in Missoula County totaled $2.5 billion in 2002, 33 percent of income basin-wide. Next is Flathead at $1.9 billion, 25 percent of all area income. Silver Bow and Ravalli County each account for about 11 percent of income. The rate of income growth in the area increased substantially in the 1990s after sluggish growth in the previous decade.



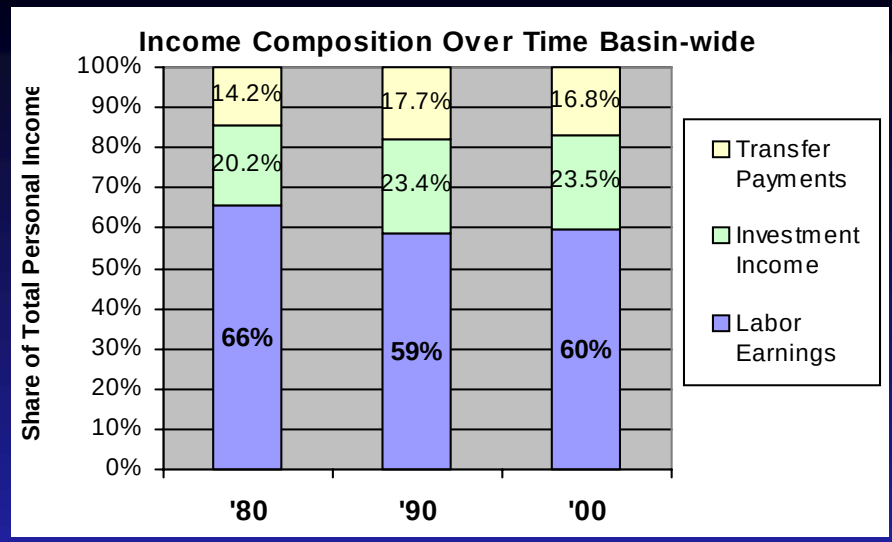
Missoula County's income grew by $765 million in the '90s versus growth of only $217 million in the '80s. Flathead and Ravalli Counties saw large increases as well but growth also occurred generally area-wide.

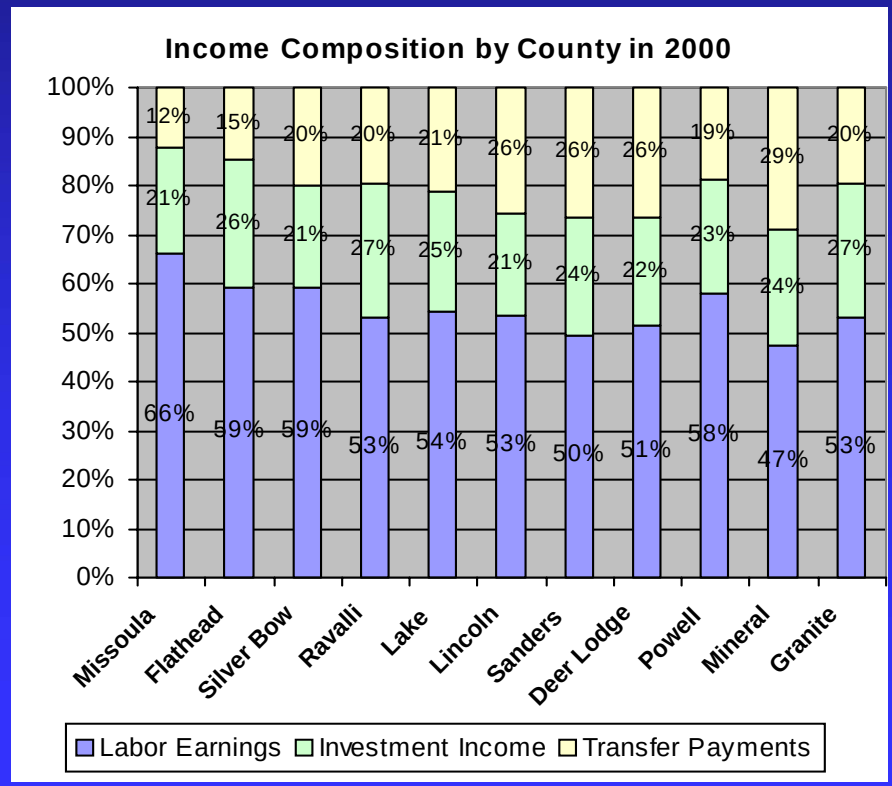
Changing Income Composition in the Clark Fork Basin

The three major sources of personal income are labor income (workplace earnings), investment income (income from rent, dividends, etc.), and transfer payments income (primarily Social Security and Medicare-Medicaid benefits). Trends among these are shown below.



In recent years, labor income growth has been particularly strong, increasing by 44 percent in the '90s versus only a 3.4 percent increase.

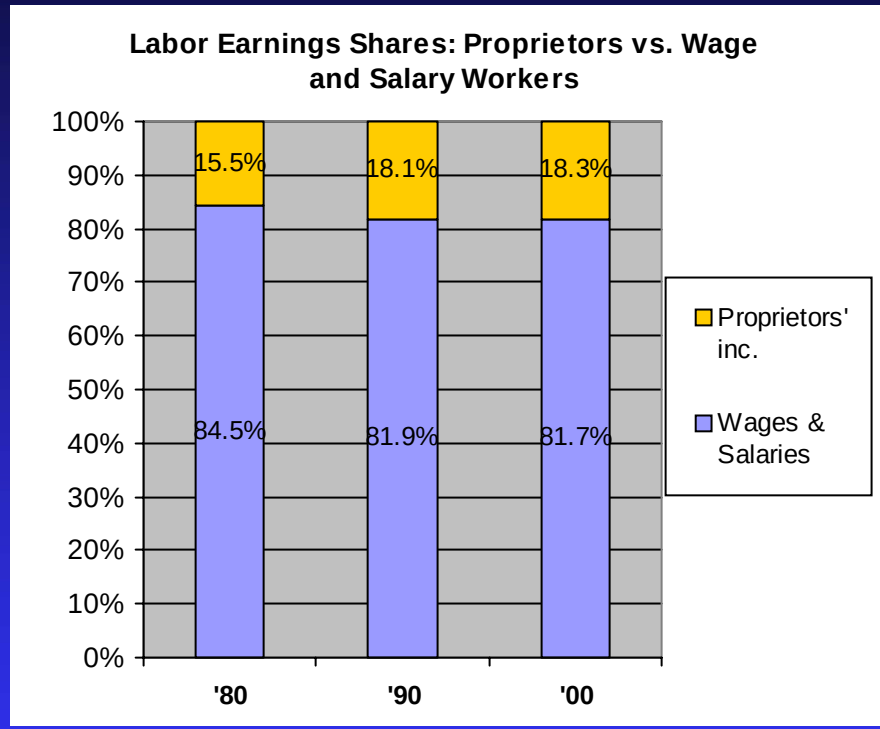




Labor Earnings Growth by Major Category in the Clark Fork Basin

Labor income includes employment earnings by wage and salary workers, as well as self-employment earnings by proprietors. The chart below shows labor earnings by these two major categories of workers over the last two decades. During the '90s, wage and salary payments rose significantly.

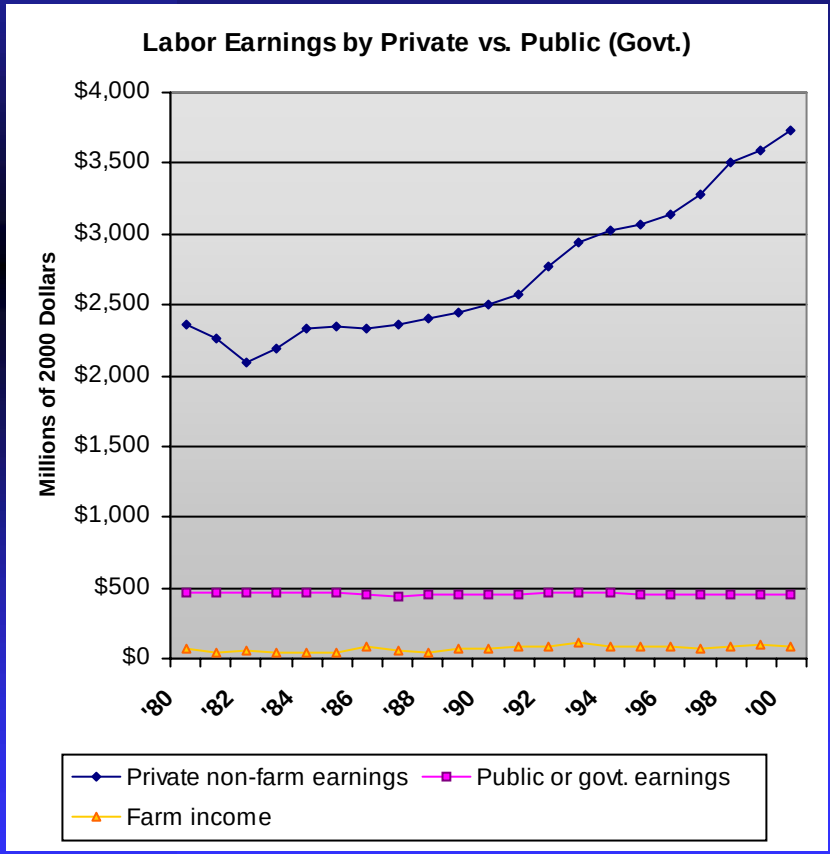
Other labor income includes payments by employers to retirement and other employee benefit programs. While labor earnings growth by wage and salary workers in the region have grown steadily and far exceed earnings by proprietors, proprietor earnings have actually grown at a faster rate, increasing their share of total area-wide labor income.



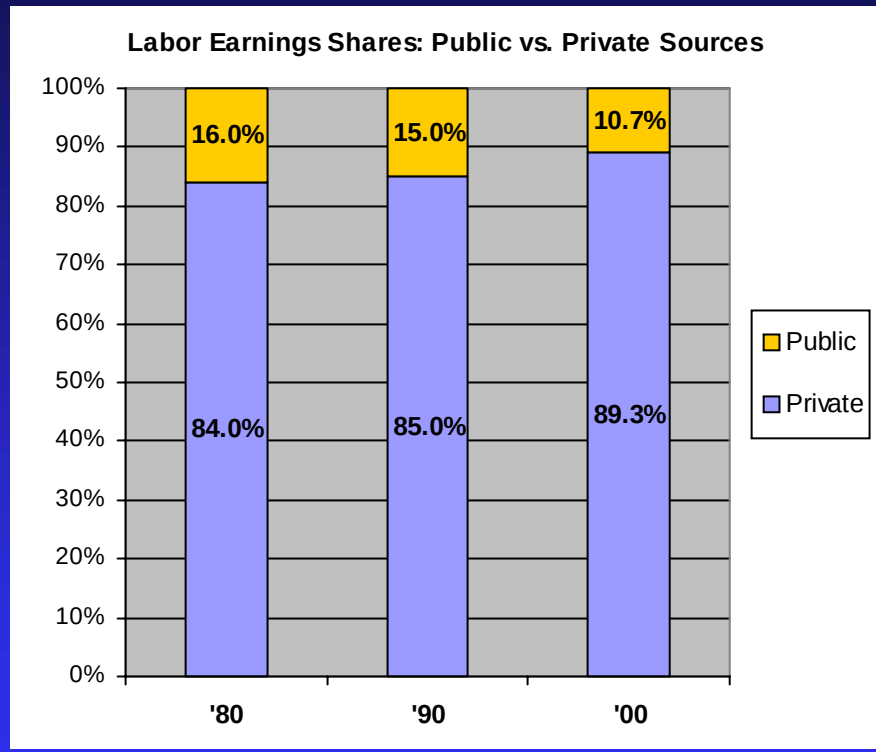
In 2000 proprietors' income accounted for 18.3 percent of all labor income, up from 15.5 percent in 1980 and 18.1 percent in 1990. Wage and salary workers accounted for about 82 percent of all labor earnings in 2000, down from 84.5 percent twenty years earlier in 1980. This split in labor earnings between proprietors and wage and salary workers is fairly typical of what is found in many other regions of the U.S.

Labor Earnings in the Clark Fork Basin by Private & Public Sources

Labor earnings by workers in the 11-county Clark Fork Basin stemming from private employment versus public or government employment are shown in the chart below. Public sources include workers employed in state and federal government, the U.S. military, and by local government, which includes city and county workers and also public school workers.



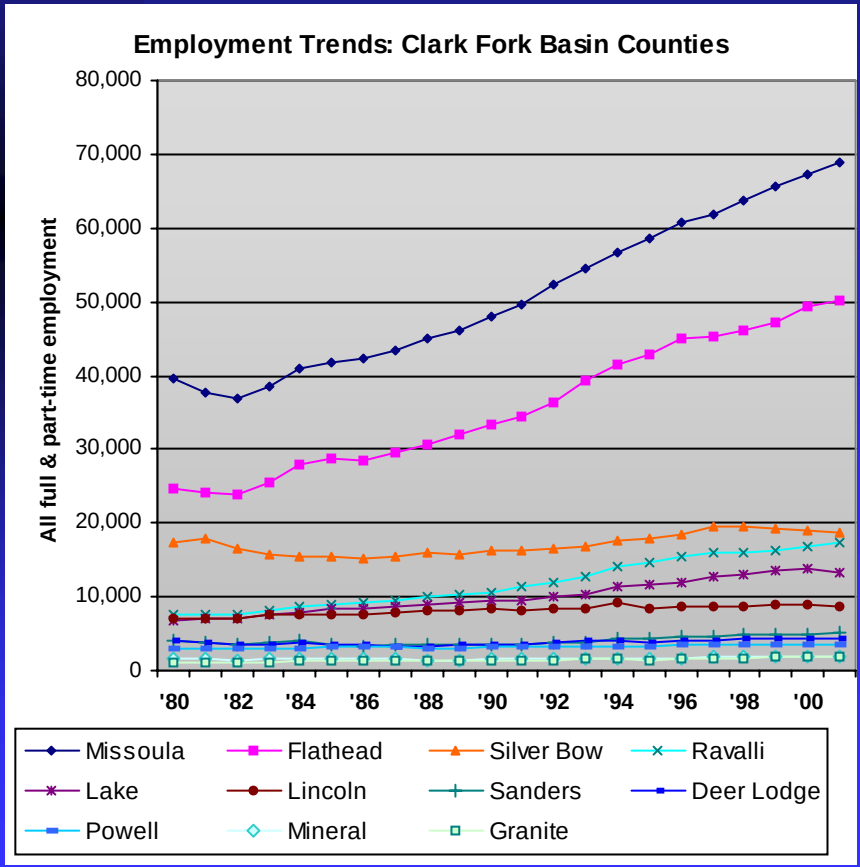
Earnings by public sector workers as a whole have remained relatively flat over time, while private sector labor earnings have grown significantly. Government employment accounted for only a little over 10 percent of all labor earnings area-wide in 2000, down from 16 percent twenty years earlier.



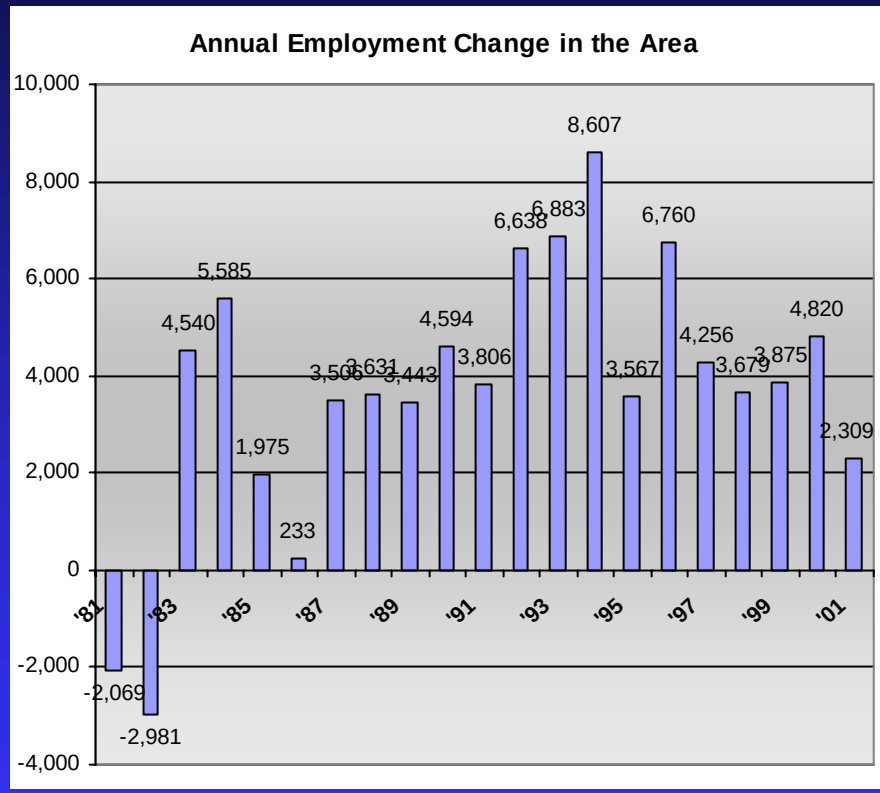
This downward shift in government's share of labor income is in part the result of constraints placed on government budgets and spending by local public schools, city and county governments, and state and federal agencies. Conversely, private labor earnings essentially grow as the area's economy grows, unconstrained by tax and public revenue bottlenecks and restrictions.

Trends in Total Employment Growth in the Clark Fork Basin

As the population of the area has grown, increasing fairly sharply in the last decade, and with growth in personal income, has come growth in employment. Employment growth can both precede or follow population and income growth – i.e., sometimes people follow jobs to an area and sometimes jobs follow people, as occurs with major shifts in migration patterns not necessarily attached to shifts in employment.



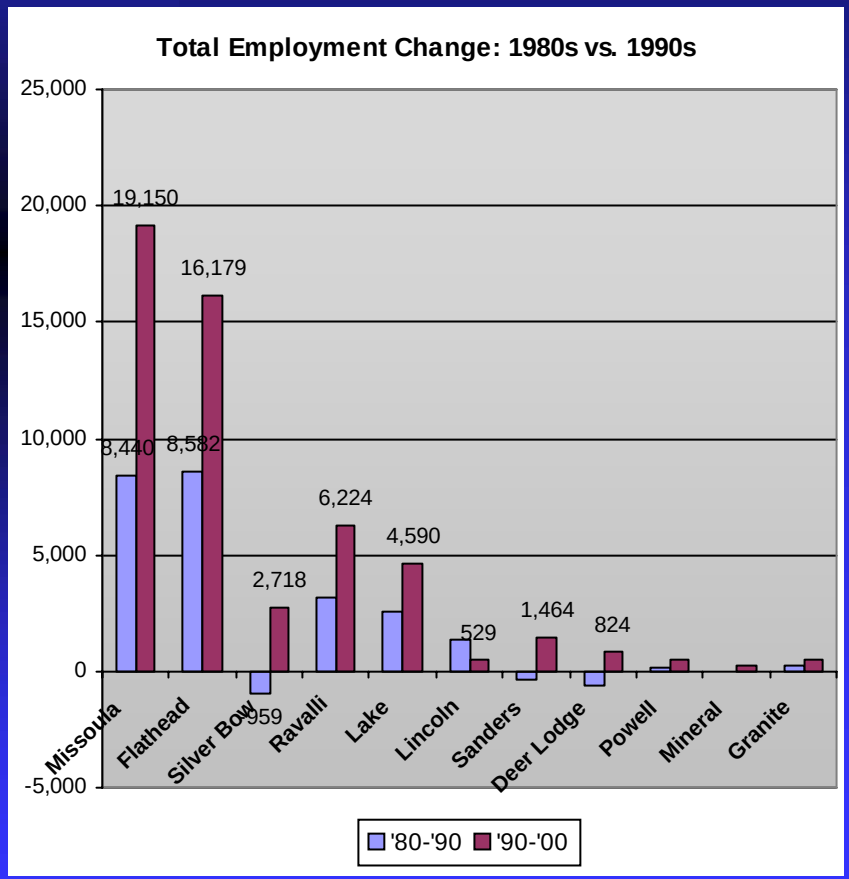
Total employment, both full and part-time, rose from 117,000 jobs in 1980 to 139,00 in 1990 – an increase of 22,000 jobs or 19 percent. Employment reached 192,000 in 2000, an increase of 53,000 jobs or 38 percent over the decade.



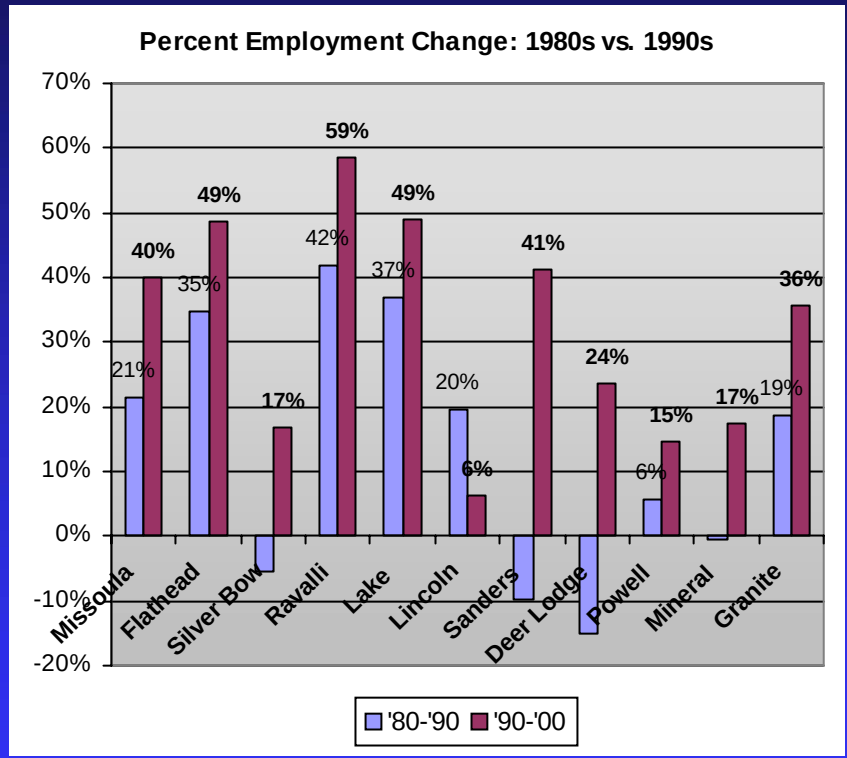
The area emerged from employment losses in the early '80s and added significant employment yearly for most of the last 15 years. Missoula County accounts for 35 percent of all area employment. Flathead accounts for 26 percent, Silver Bow for 10 percent, and Ravalli for 9 percent. Missoula and Flathead together account for over 60 percent of area jobs. The four counties together account for 80 percent.

Distribution of Employment Gains by County in the Clark Fork Basin

Employment in the Clark Fork basin area has grown steadily in recent years and the faster growth of the last decade was spread throughout the entire basin area. Job growth in the 1990s totaled around 53,000, a 38 percent increase, versus job growth of 22,000 in the 1980s, a 19 percent increase basin-wide. The chart below shows job growth by county for the two periods.



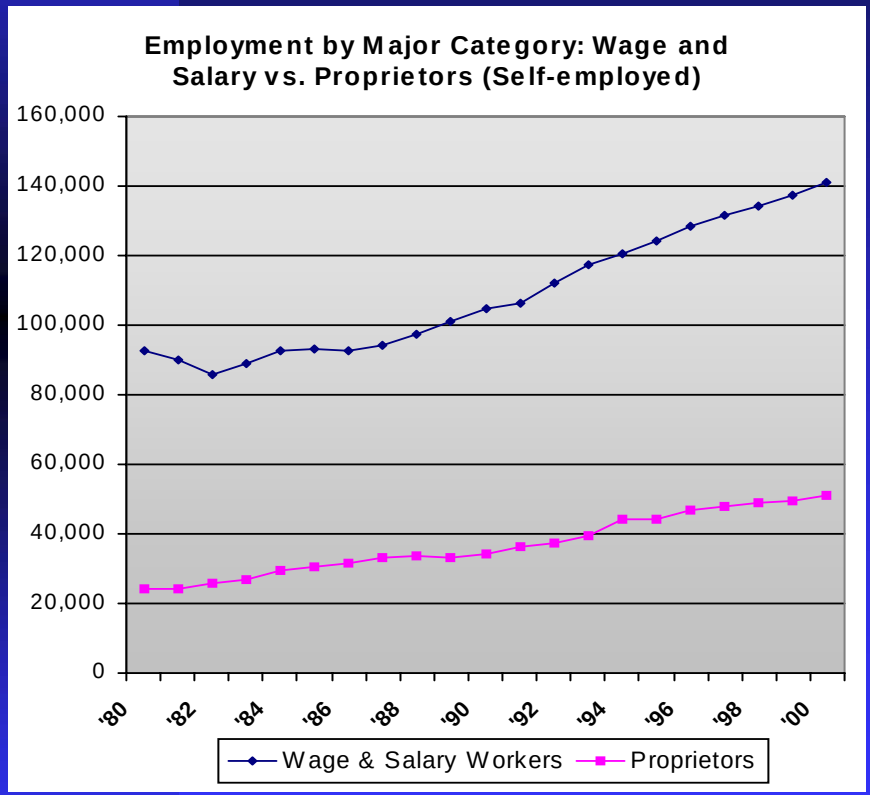
Only one of the eleven counties saw lower job growth in the 1990s than the previous decade (Lincoln County). Job growth more than doubled in Missoula County, up from 8,440 in the 1980s to 19,150 in the 1990s. And the number of new jobs in Flathead County nearly doubled. Relative rates of job expansion from one county to the next, or percentage changes, are shown below.



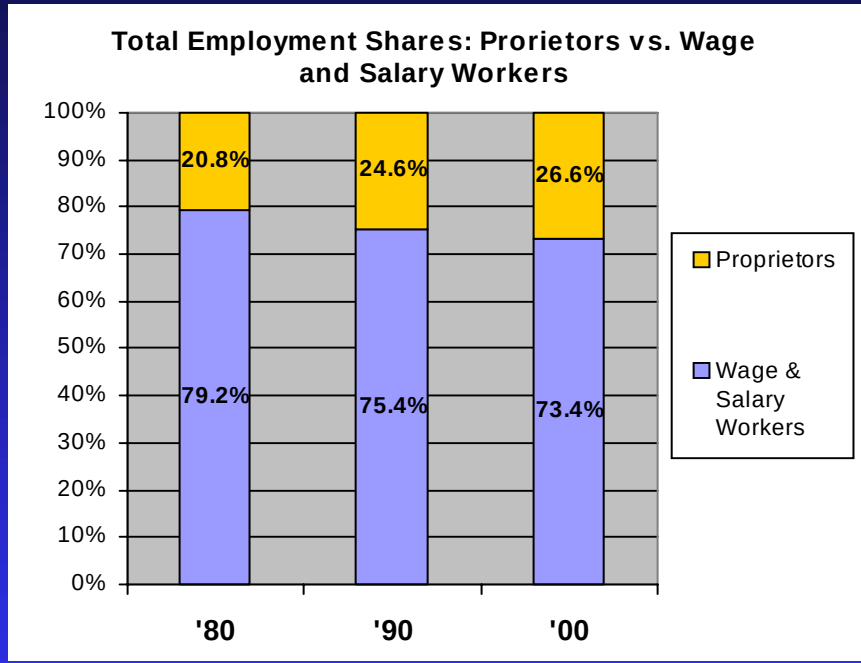
The fastest rate of employment growth is in Ravalli County, with jobs rising by 59 percent in the ‘90s. Job growth in Flathead County was second fastest at 49 percent, followed by Sanders (41%), Missoula (40%), and Granite (36%). Again, employment growth was up considerably area-wide, with the exception of Lincoln County.

Employment Growth by Major Category in the Clark Fork Basin

The two major categories of employment are wage and salary workers – persons who work for an employer for a wage or salary – and proprietors or self-employed persons. The chart below shows employment growth in the area for these two categories of employment.



Wage and salary employment stood at 141,000 jobs in 2000, up from 105,000 in 1990 and 93,000 in 1980. Proprietor employment in 2000 was 51,000, up from 34,000 in 1990 and 24,000 in 1980. Proprietor employment actually grew faster than wage and salary employment in the '90s, rising by 49 percent as compared to a 34 percent gain in wage and salary employment. This has increased proprietors' share of total employment over time.

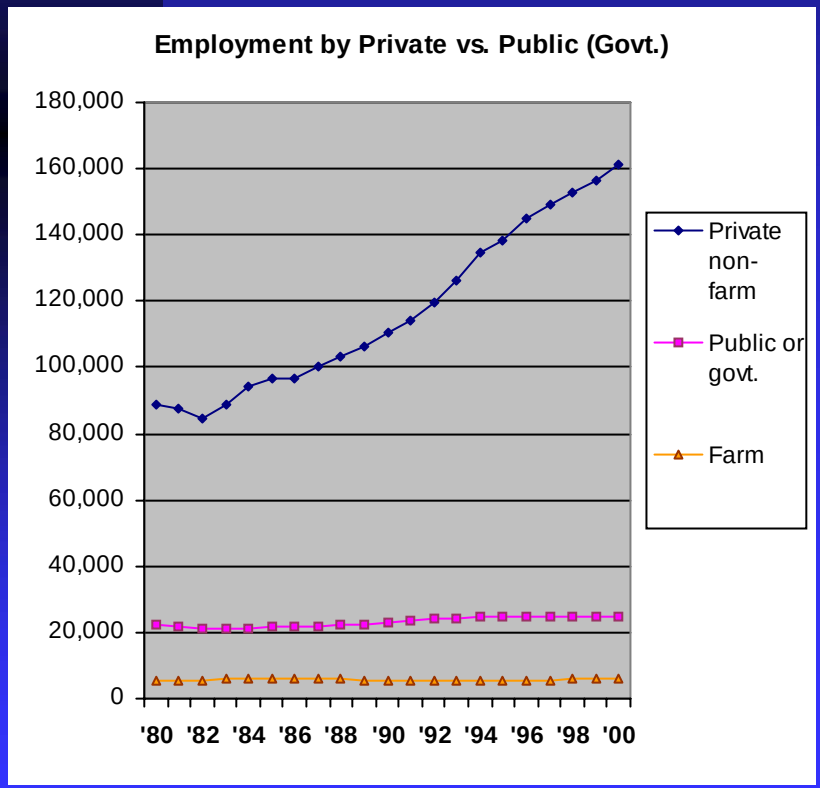


In 2000 proprietor employment or self-employment accounted for nearly 27 percent of all employment, up from 21 percent in 1980. The share of total employment by wage and salary workers in the area fell from 79 percent in 1980 to 73 percent in 2000.

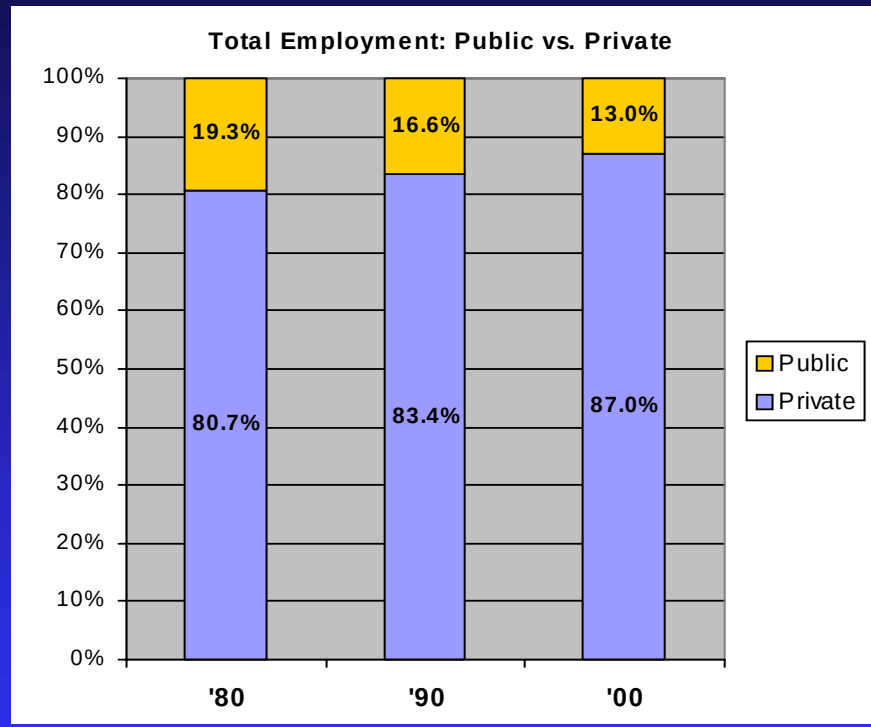
Wage and salary workers accounted for 82 percent of all labor earnings in 2000. This suggests that many proprietor jobs in the area are part-time or are low-paying, since their share of all labor earnings in 2000 was 18 percent, while accounting for 27 percent of all jobs. In many areas, self employment jobs are "done on the side" by many workers who otherwise work in some type of wage and salary employment.

Clark Fork Basin Employment by Private & Public or Government Employers

Most employment growth in the area is in private sector jobs rather than government jobs, or employment in local public education and city and county government, or by state or federal departments or entities, including state-supported education. Private sector jobs totaled 161,000 in 2000, up from 110,000 in 1990 and 89,000 in 1980. Public sector jobs totaled 25,000 in 2000, up only modestly from 22,000 in 1980.



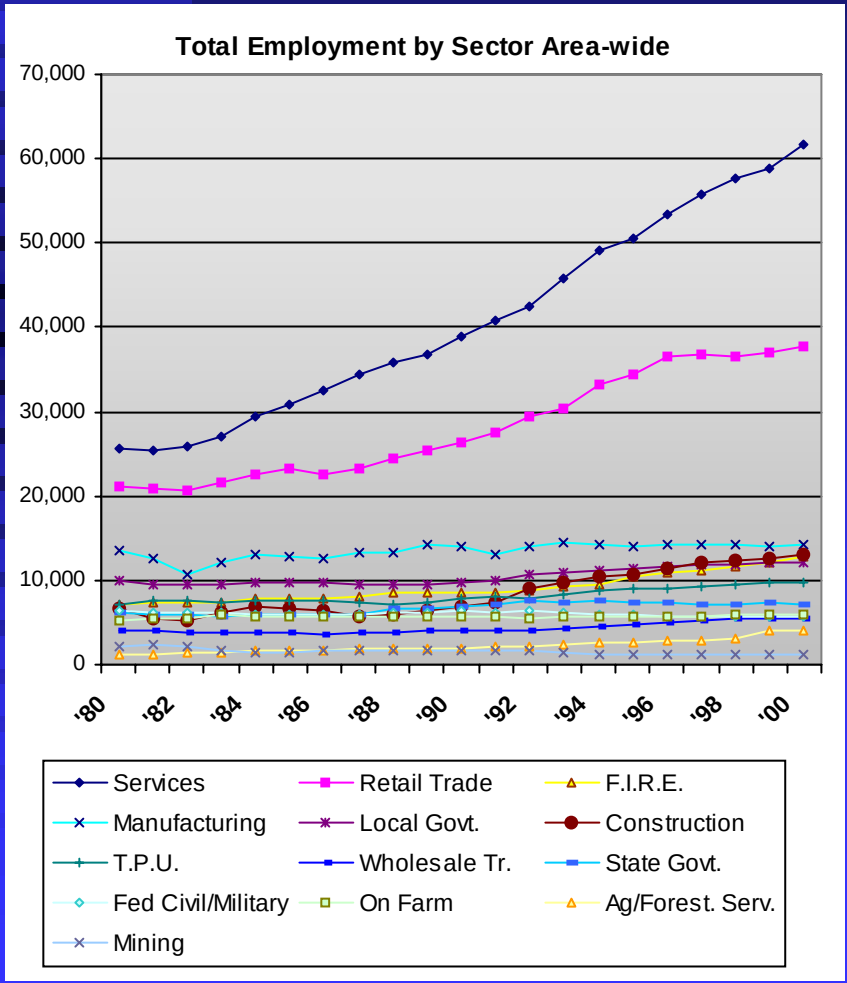
In the last decade, private sector jobs in the area grew by 46 percent. Public sector jobs grew by only 8 percent. As a result, the private sector's share of total employment in the area has steadily risen from 81 percent of all jobs in 1980 to 87 percent twenty years later in 2000.

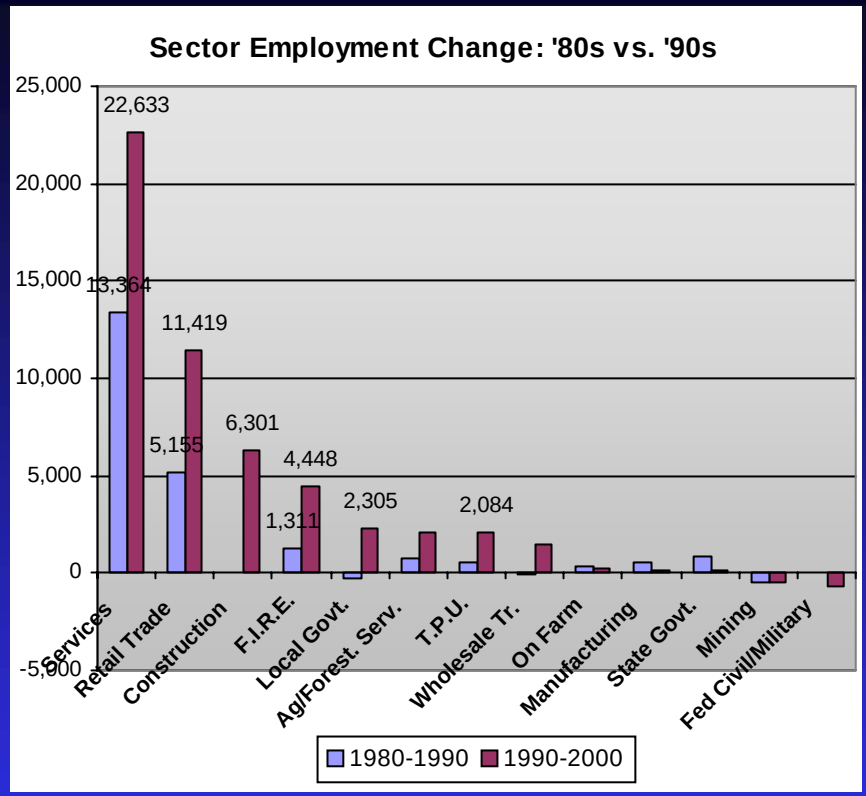


This reduction in the share of public sector jobs, including jobs in public education, is occurring largely because growth in governmental areas has been tightly constrained in recent years, particularly constrained by tax and revenue measures and structures that have restricted growth in these areas below rates of growth in the area economy more generally. Hence, even as the area's population grows and the income base rises, schools are closed and governmental services are strained. These have not increased at the same pace as general growth in the area's economy.

Growth in Employment by Major Sector in the Clark Fork Basin

There are 13 major sectors of the economy and variations in growth among these reflect fundamental changes in the direction of the economy. The chart below shows employment change among these major sectors over time.

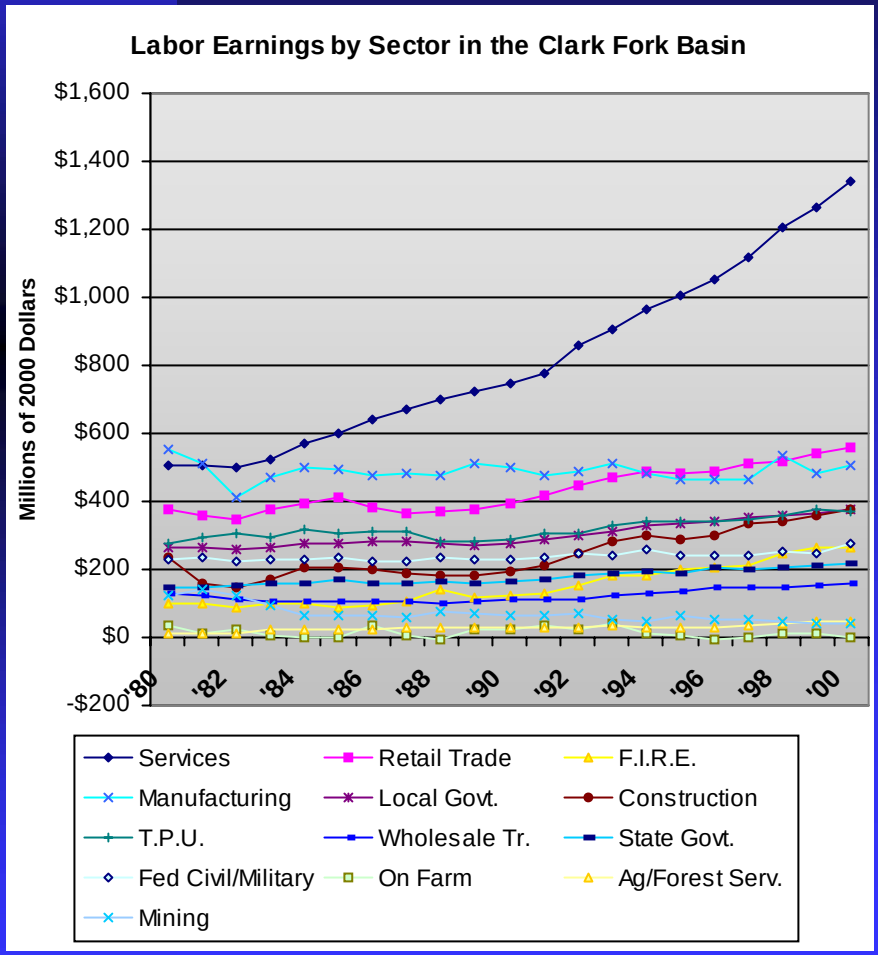




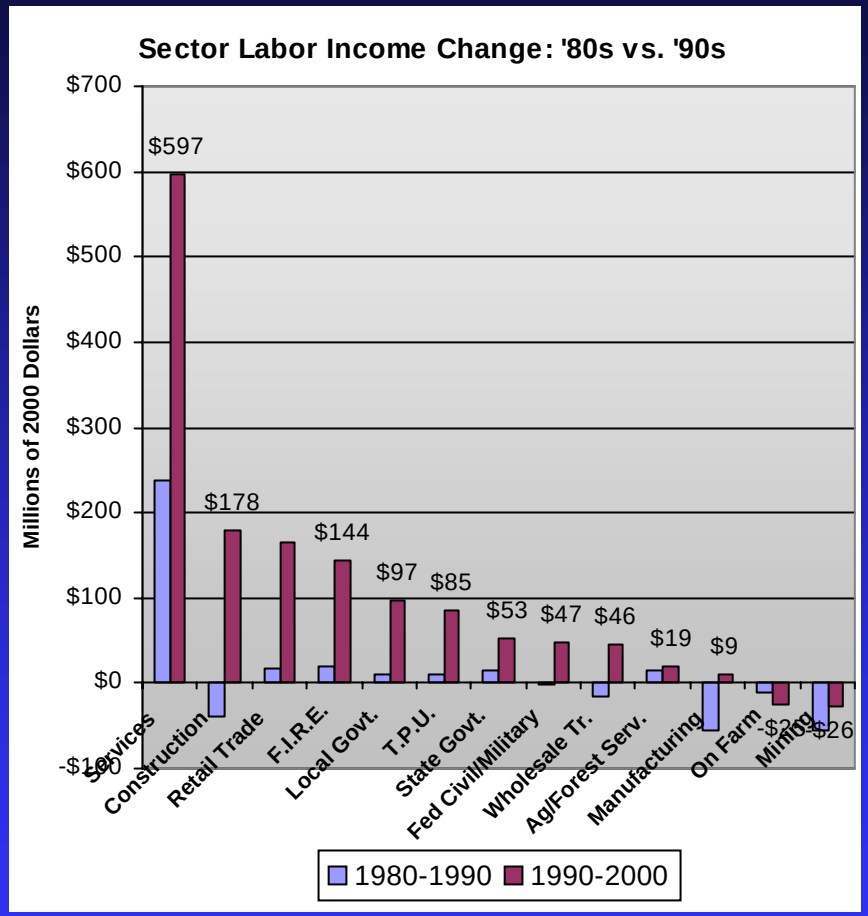
Between 1990 and 2000, total employment grew by 53,000 jobs area-wide and new jobs in the services sector accounted for almost 23,000 of these, 43 percent of all new jobs. Retail trade jobs grew by 11,400, accounting for 22 percent of all new jobs. Construction employment grew by 6,300 jobs, accounting for 12 percent of all new jobs during the decade. And job expansion in finance, insurance, and real estate (F.I.R.E.) of 4,448 accounted for almost 9 percent of new jobs. Job growth in local government, T.P.U., and wholesale trade were modest. And there was little growth in the other sectors and actual employment decline in mining and in federal civilian government employment and the military.

Sector Labor Earnings Growth in the Clark Fork Basin

Sector growth and change can also be examined using labor earnings. The chart below shows sector labor income over time area-wide.



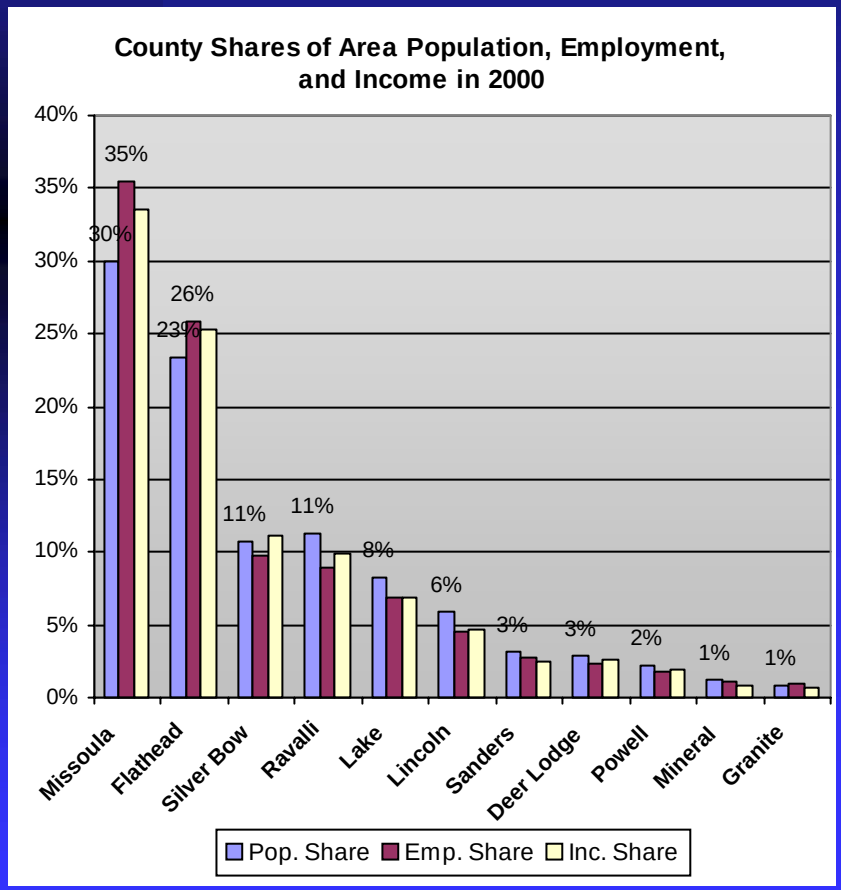
Service sector expansion is the biggest contributor to labor earnings growth in the area by far. During the '90s, services grew by nearly $600 million.



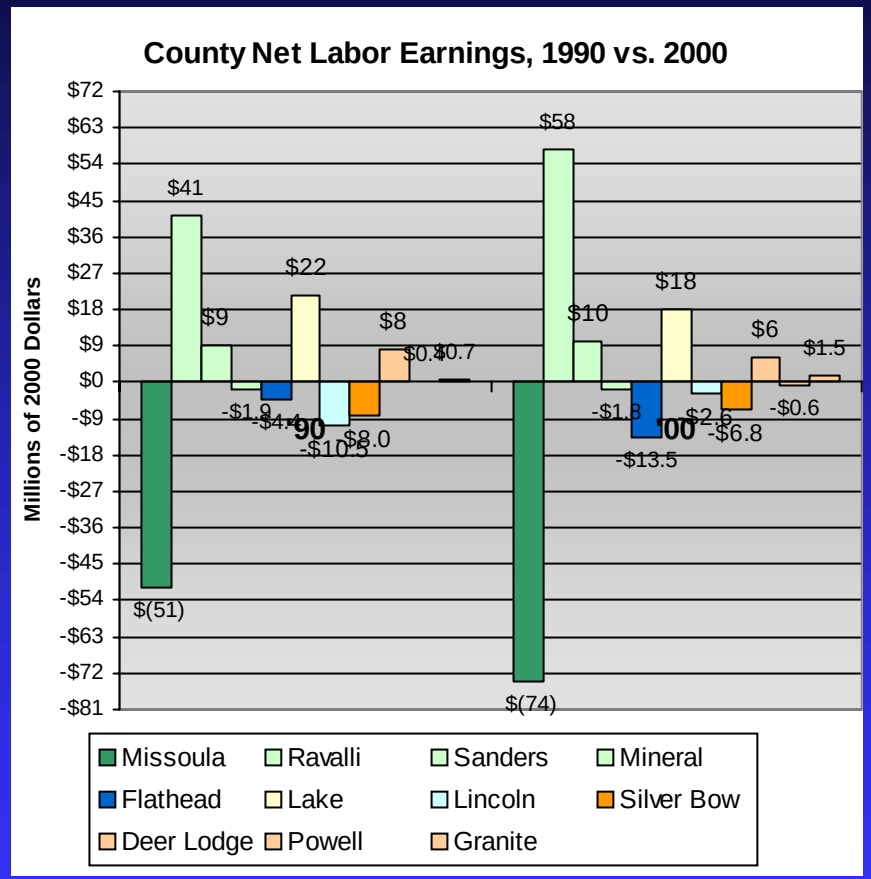
Labor income growth for persons employed in services accounted for over 43 percent of all labor income gains in the area. Construction growth was second, but far behind services, followed by retail trade, F.I.R.E., local government, and T.P.U. Farming and mining both suffered declines in labor earnings.

Concentration of Activity in the Regional Population Centers

Over 325,000 people now live in the 11-county area, but around 35 percent live in the area's three regional population centers of Missoula (60,000), Butte (32,700), and Kalispell-Whitefish (21,000). The counties in which these three centers are located account for 65 percent of the population. But, as regional employment centers, they account for 70 percent of the entire area's employment.



While jobs do concentrate in regional employment centers, some income earned in these centers flows back out into the larger region. The chart shows net labor income flows for each area county in 1990 and 2000.



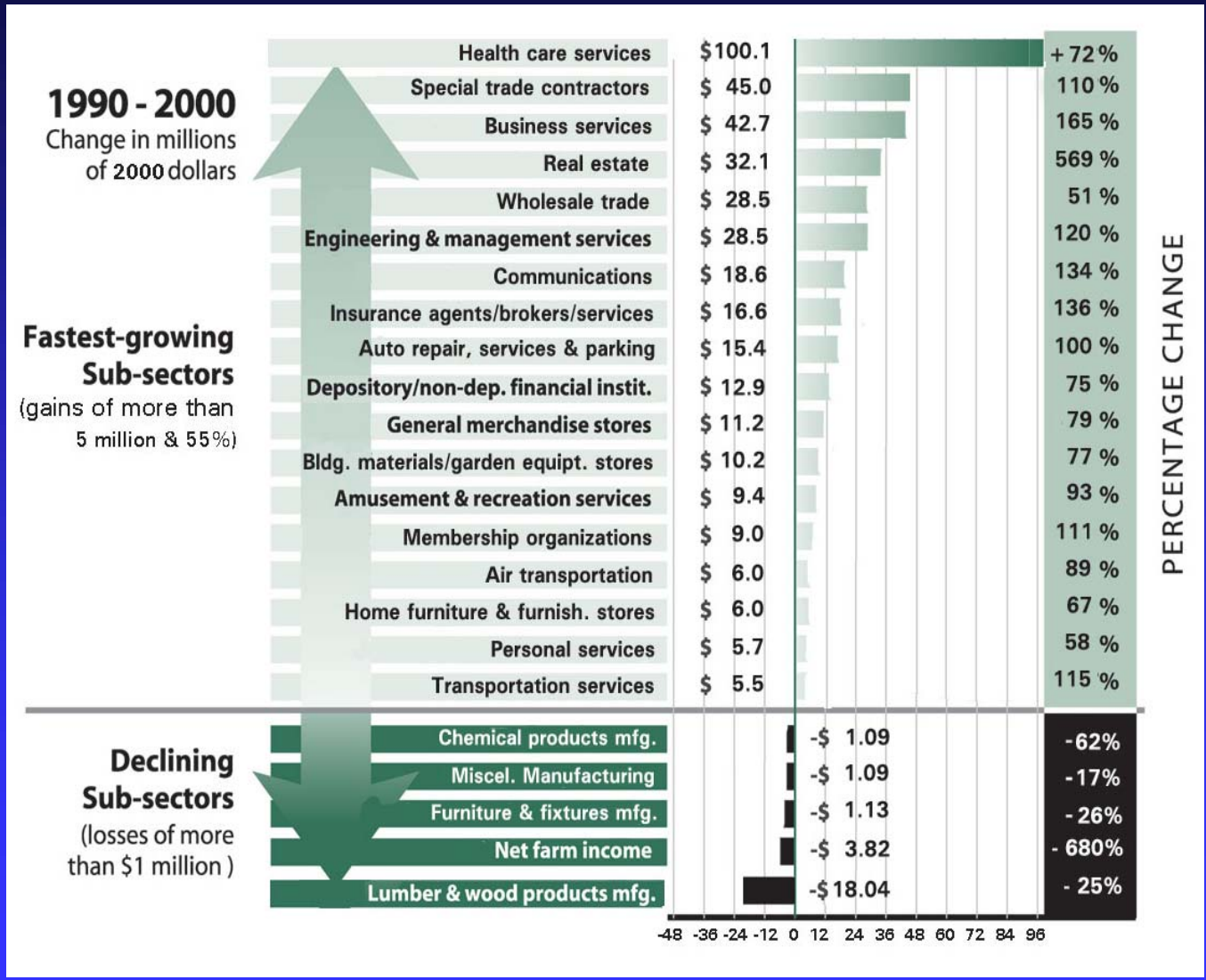
In 2000, $74 million in labor income earned at workplaces in Missoula County (over 4% of the total) flowed out of the county to other counties where workers reside. $13.5 million flowed from Flathead County and $6.8 million flowed from Silver Bow. Ravalli County residents received $58 million in labor earnings at jobs outside of their county, 16% of their total labor earnings.

The Missoula economy is undergoing constant restructuring and change with growth focused in many service, trade, financial, and construction sub-sectors and decline concentrated in traditional industries like lumber and wood products manufacturing, other manufacturing, and agriculture.

Many of these fast-growing sub-sectors can only grow and thrive in largely urban-based economies.

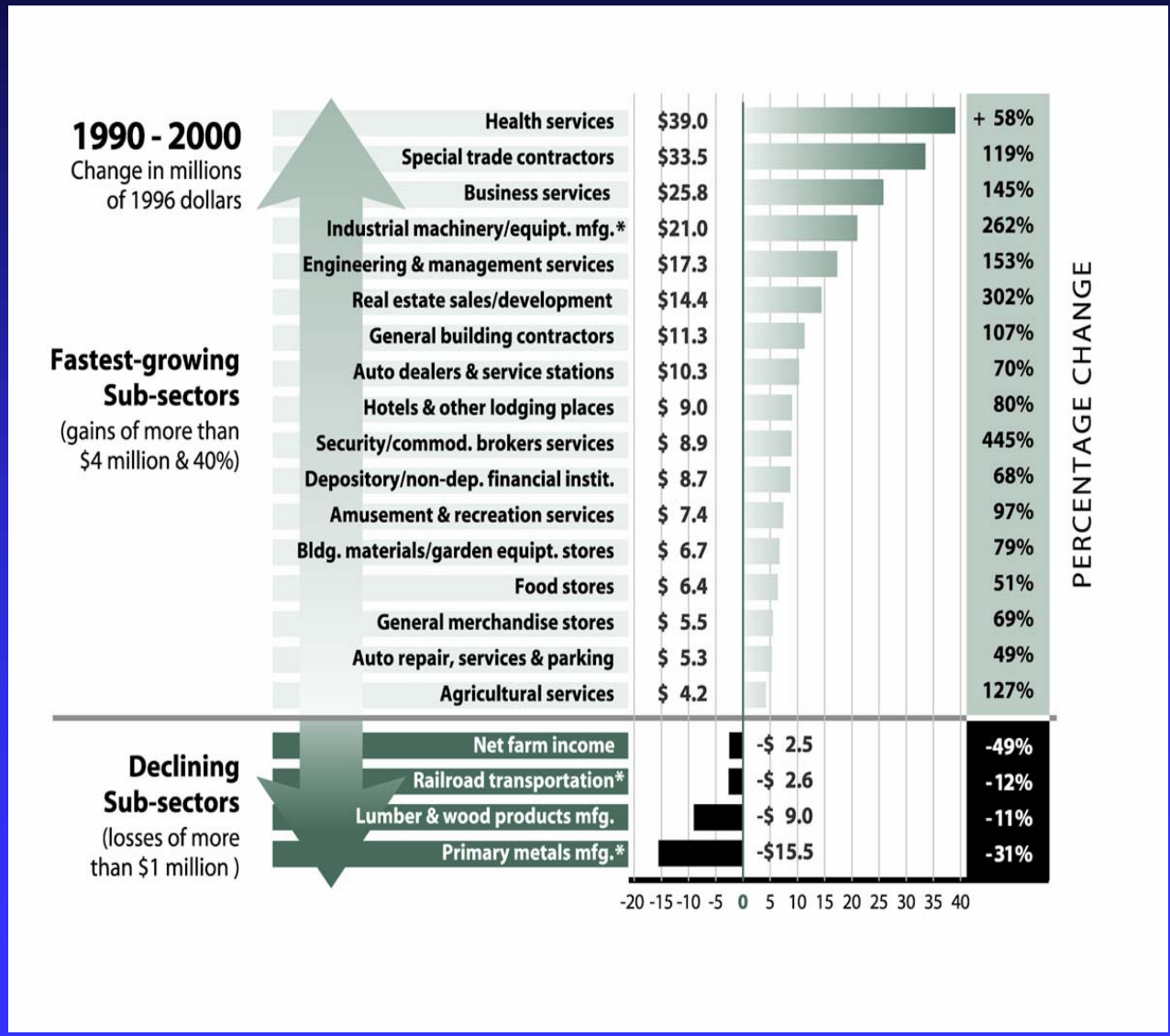
Carroll & Nancy Fields O'Connor
Center for the Rocky Mountain West

Rapidly Growing and Declining Sub-Sectors In Missoula County



Rapidly Growing and Declining Sub-Sectors In Flathead County

The Flathead economy is undergoing significant restructuring and change with growth focused in many service, trade and construction sub-sectors and decline concentrated in traditional industries including primary metals manufacturing, wood products, railroads and agriculture.

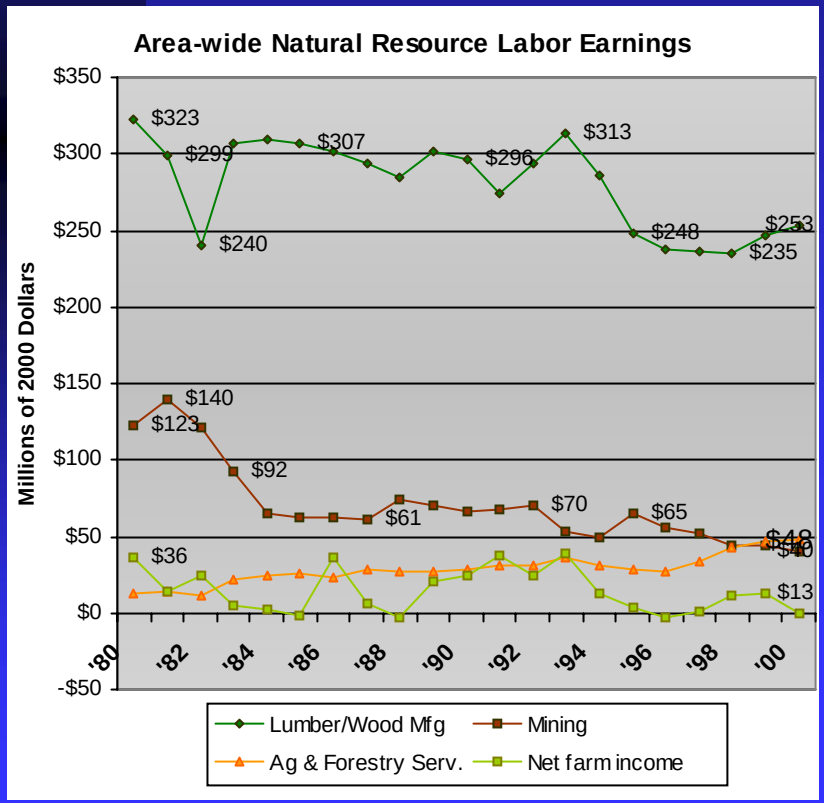


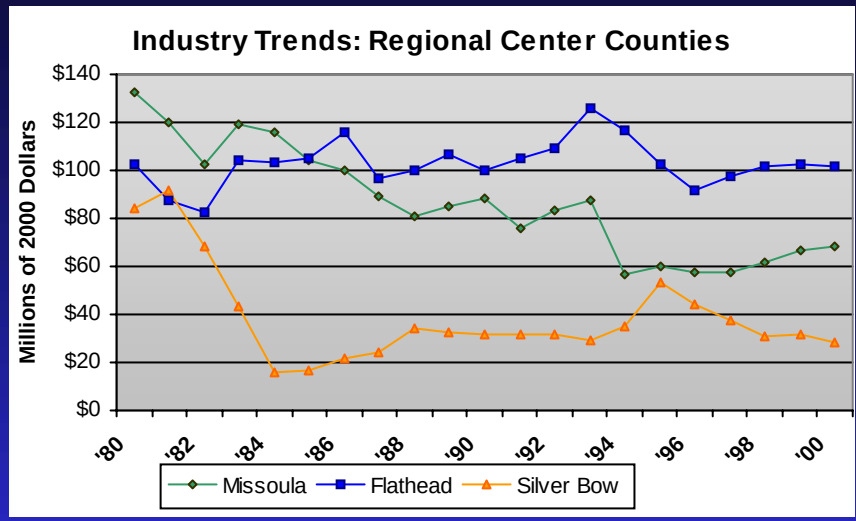
Carroll & Nancy Fields O'Connor
Center for the Rocky Mountain West

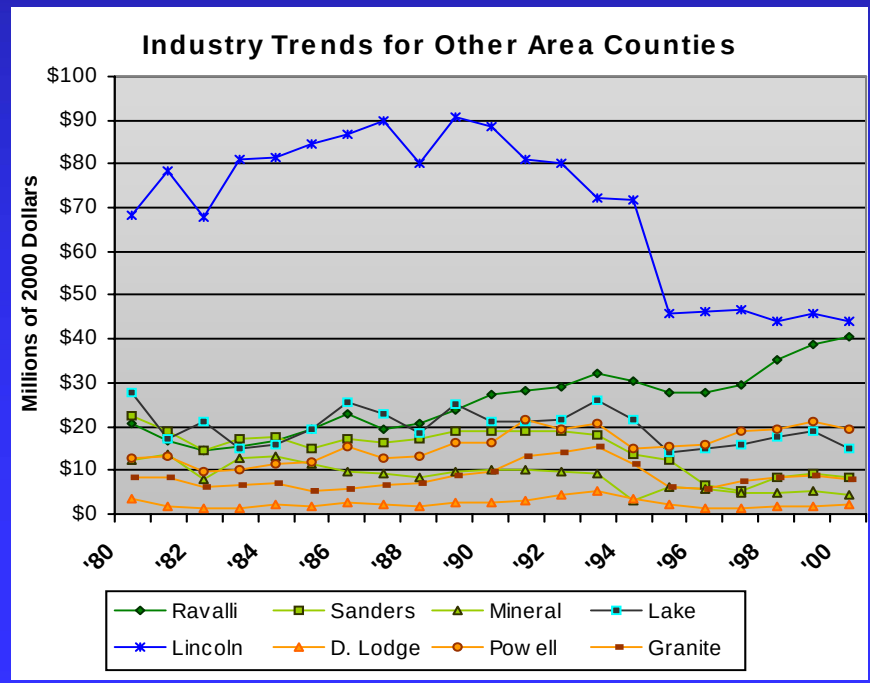
Natural Resource Industry Trends in the Clark Fork Basin

Natural industries including lumber and wood products manufacturing, mining, and farming and ranching are the foundations upon which the Clark Fork basin area economy was built. However, these industries are consolidating, declining, or growing only very slowly. Labor earnings in area employment in wood products have fallen over the last two decades from more than $320 million annually to $250 million. Mining labor earnings, over $140 million in the early '80s, are now around $40 million.

Labor earnings for these industries totaled $495 million in 1980, but only $340 million in 2000.The charts below show resource industry trends among counties.

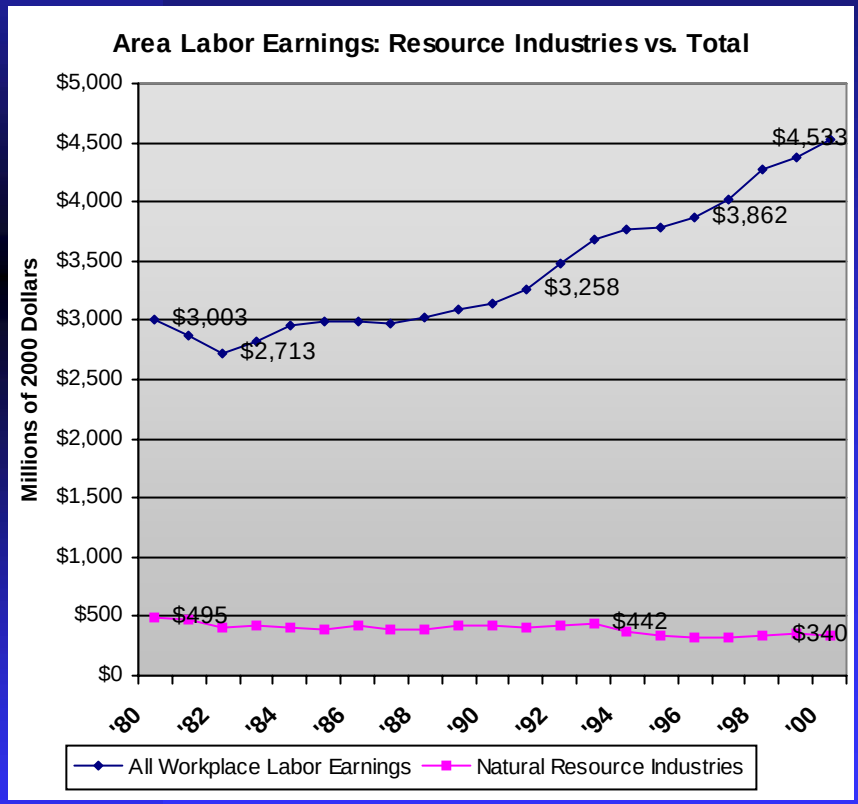




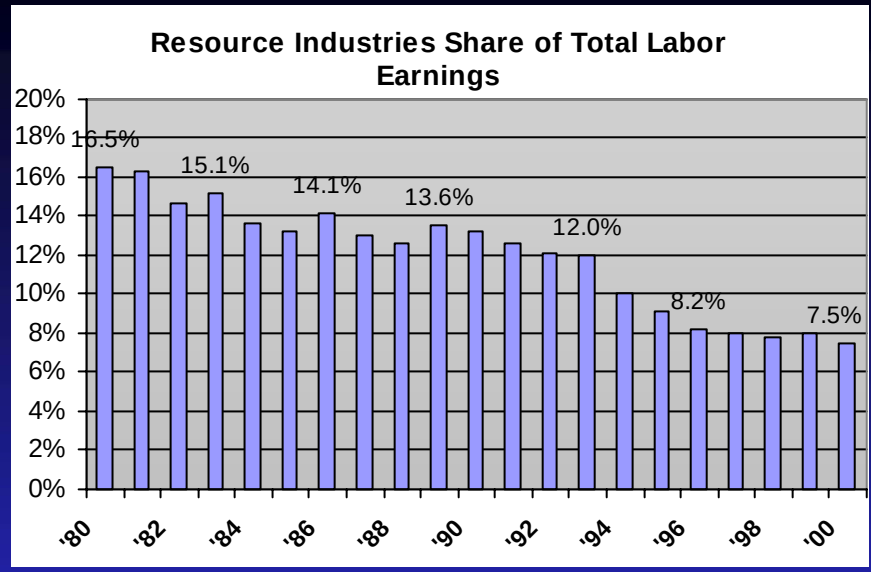


Decreasing Area Dependency on Natural Resource Industries

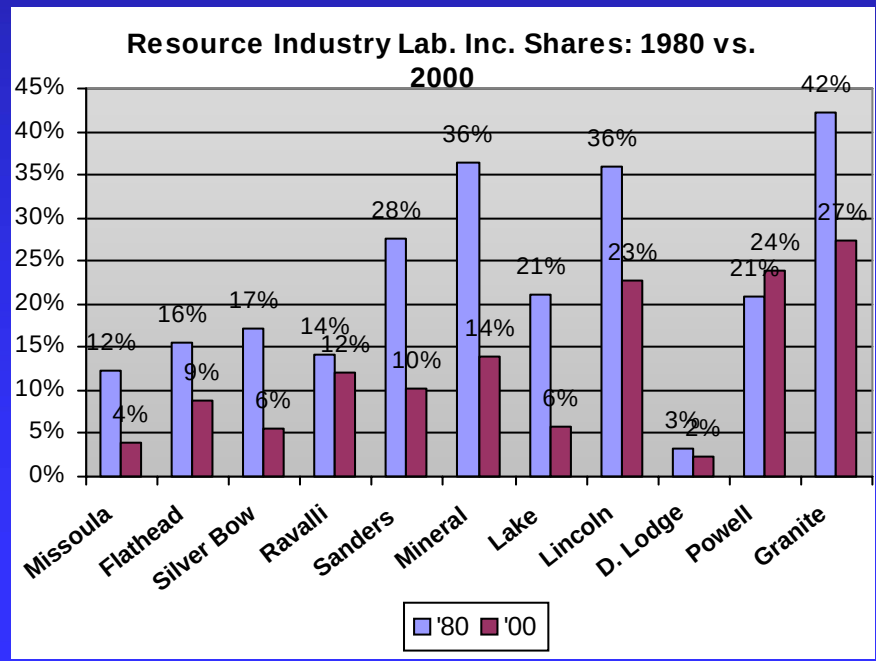
While labor earnings in farming and ranching, mining, and wood products have waned, labor income in the area economy as a whole have continued to rise, particularly in the last decade. In 2000 area-wide labor earnings totaled over $4.5 billion. Labor earnings for these resource industry combined totaled $340 million, about 7.5 percent of all labor earnings.



The area economy is growing "away" from its narrow dependence on these natural resource industries.

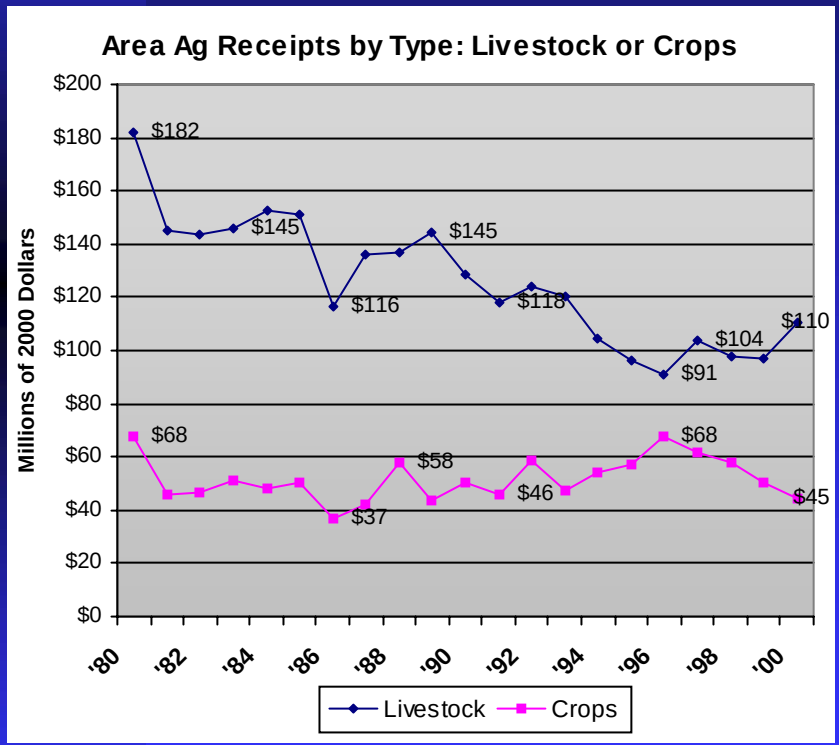


While declining basin wide, some area counties remain heavily dependent on these resource industries.

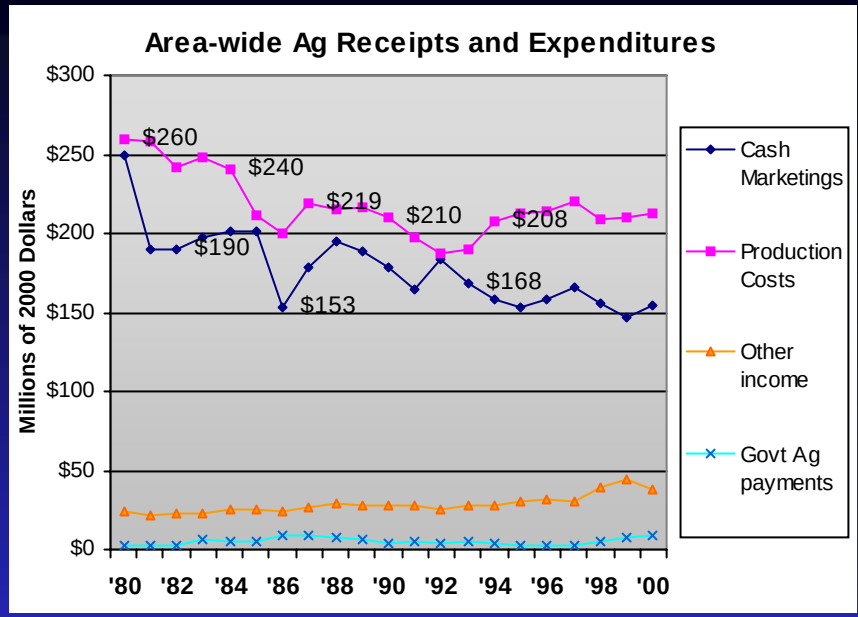


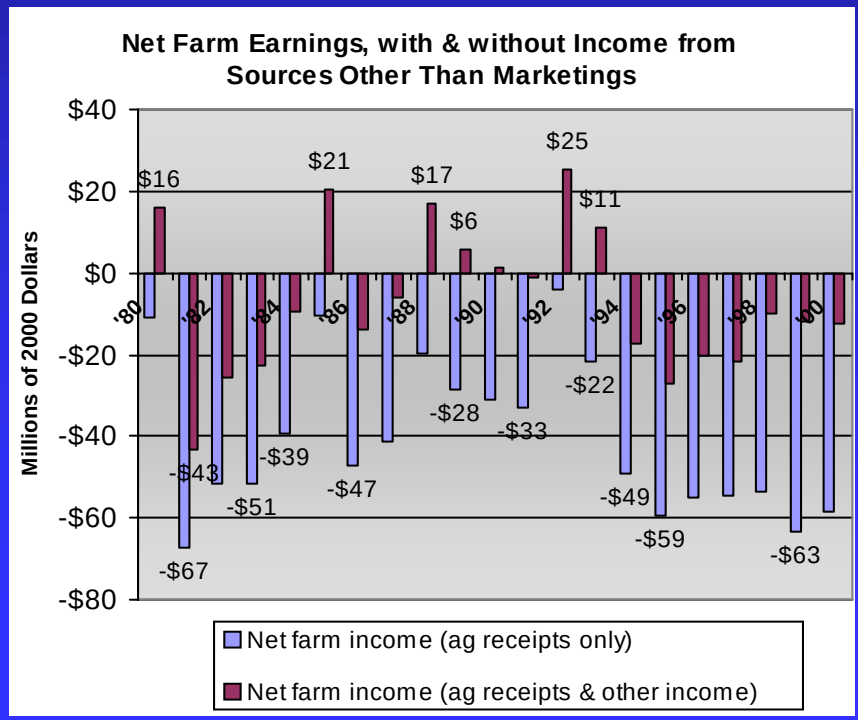
The Clark Fork Basin's Struggling Ag Sector

Farmers and ranchers in the area have been producing and marketing anywhere from $90 to $110 million in livestock and $45 to $65 million in crops a year in recent years. Crop receipts haven't changed much over the years, but livestock receipts are down considerably from the early '80s when they exceeded $180 million.



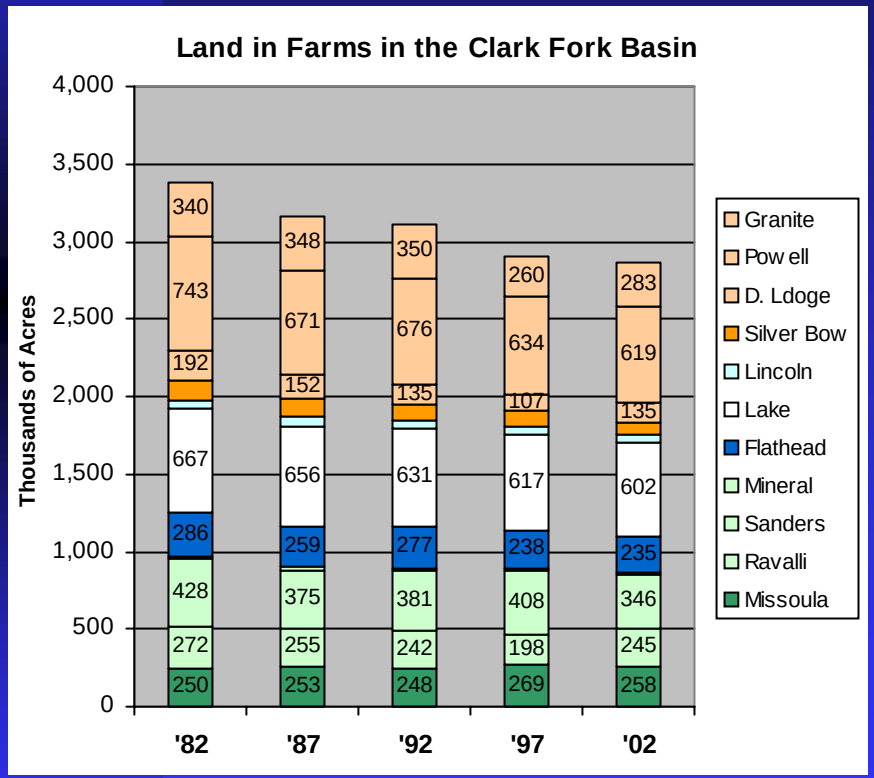
In most years the costs of producing crops and livestock exceed cash receipts – in recent years by as much as $50 to $60 million. Positive net revenue for ag producers in the area only results in most years because of farm program payments and income by farmers from off-farm sources.

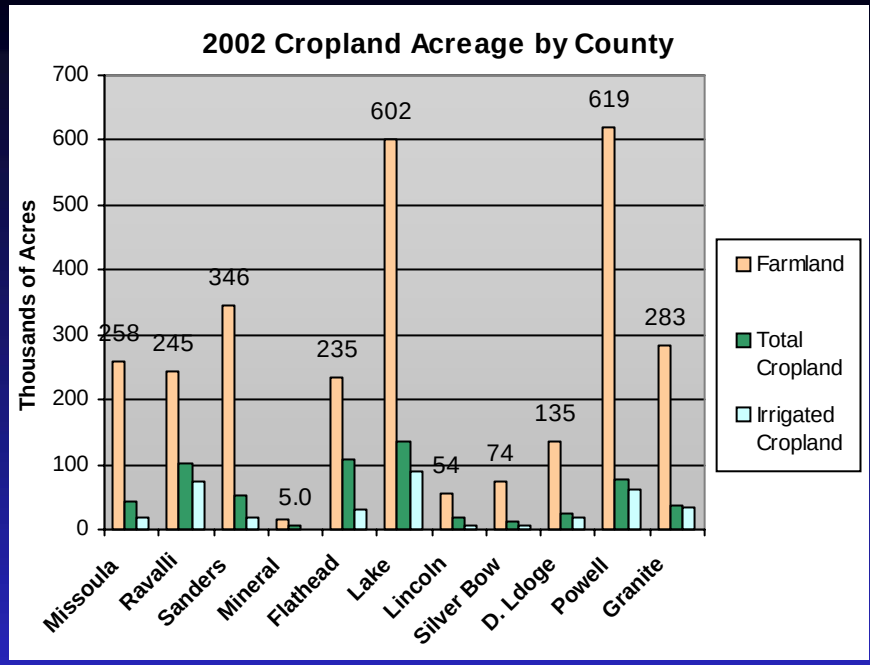


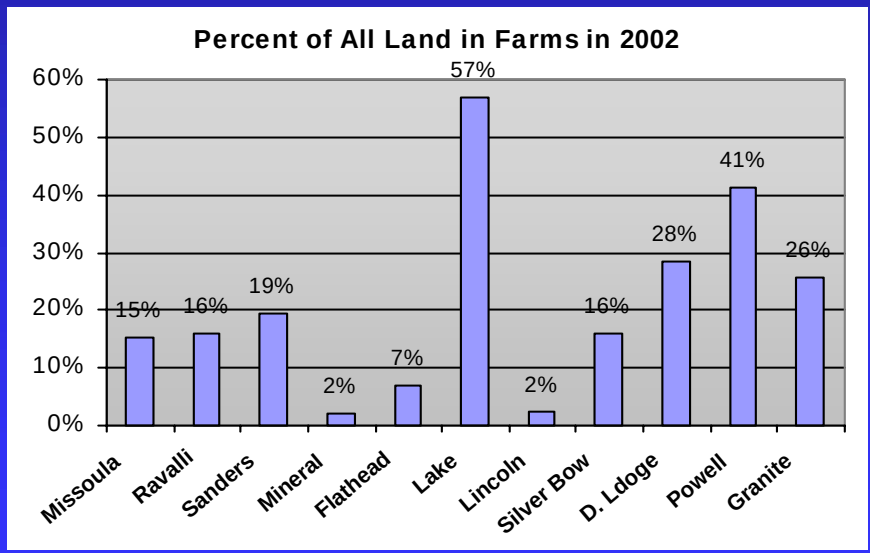


Farmland in the Clark Fork Basin

Within the 11-county area encompassing most of the Clark Fork Basin area are around 2.9 million acres of farmland (as designated in the 2002 *Ag Census*). This farmland is spread across nearly 5,900 farms. Farmland acreage has gradually fallen from almost 3.4 million acres in the early 1980s. Powell and Lake Counties have the most farmland (over 600,000 acres each).







Between 1987 and 2002, there was a reduction in farmland of 292,000 acres basin-wide, with the greatest losses in Granite (-65,000), Lake (-54,000), Powell (-52,000), and Silver Bow (-42,000).

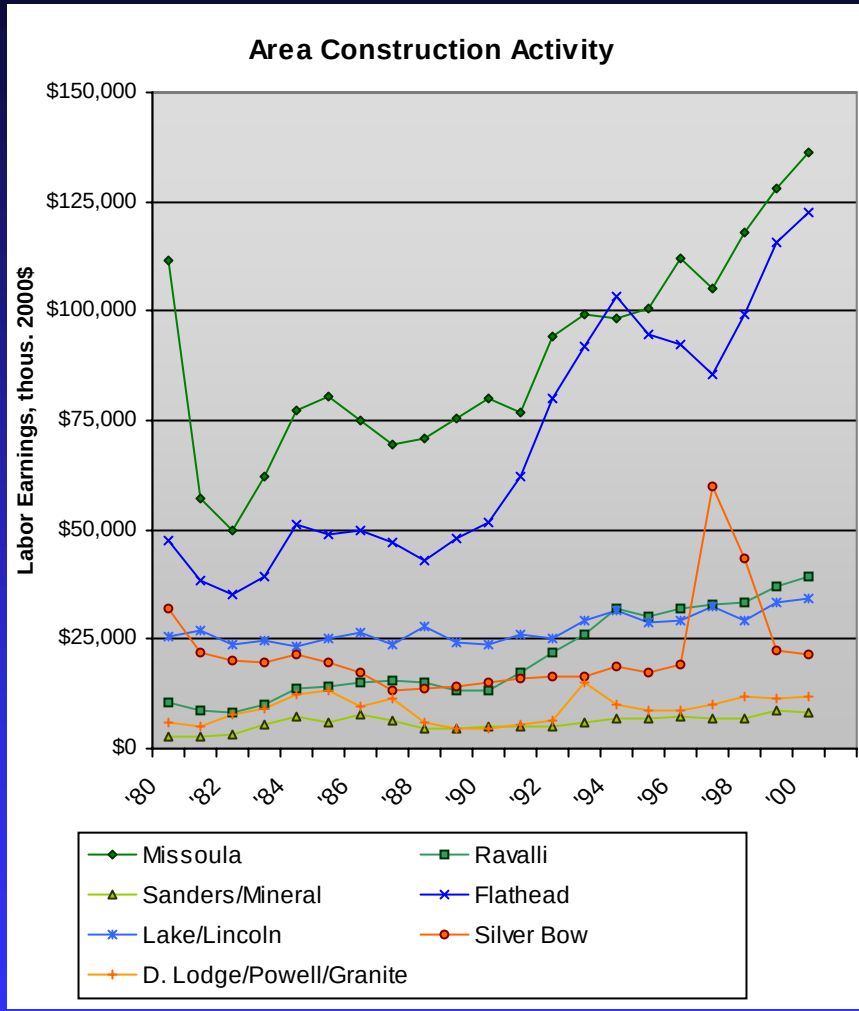
Basin-wide about 18 percent of all land is farmland (2.9 million acres out of a total of over 16 million).

Construction Activity in the Clark Fork Basin Area Over Time

Construction activity is reflected in area labor earnings by those employed in some aspect of construction, including special trade contractors, general contractors, and heavy construction contractors. Yearly construction labor earnings among area counties since 1980 are shown in the chart.

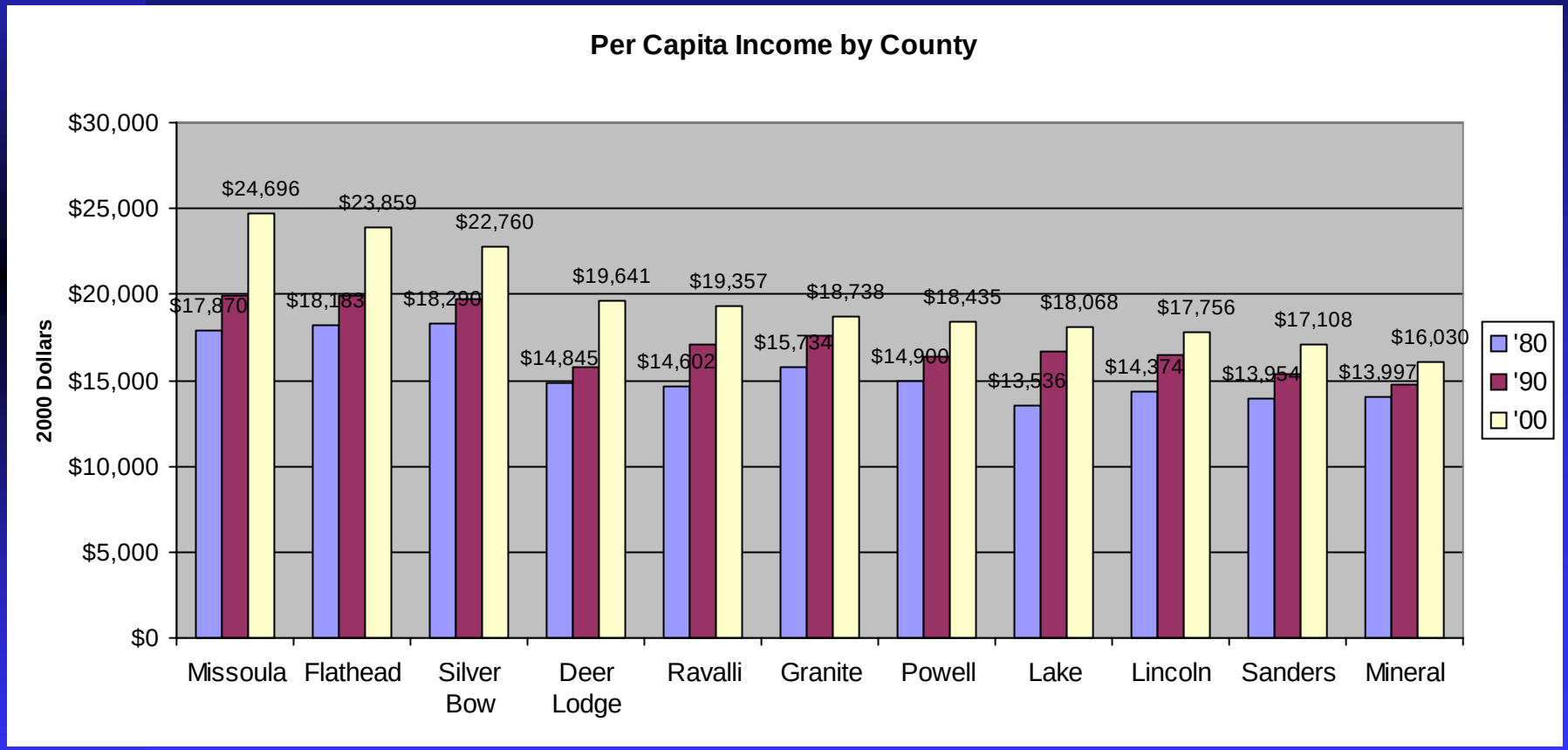
There was a fairly significant fall-off in construction from 1980 to 1982, corresponding with a nationwide economic recession. In the basin area, construction labor earnings fell from $236 million in '80 to $148 million in '82. Much of the remainder of the decade was difficult for construction, and labor earnings reached $181 million in '88. Since then, construction has grown in every year except one (1995) and reached $374 million in 2000.

Construction labor earnings for Missoula County workers totaled $136 million in 2000 and in Flathead County totaled $123 million. Construction labor earnings are reported by the county in which the workplace or place of employment is located.



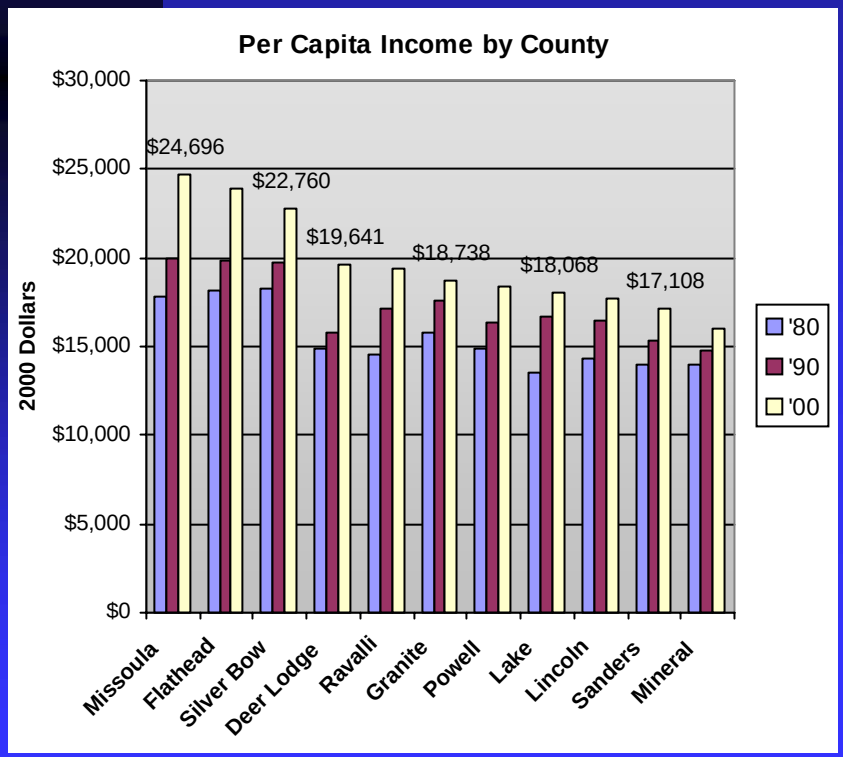
Per Capita Income Among Counties in the Clark Fork River Basin

Per capita income varies among counties within the basin, with the more urban counties – Missoula, Flathead, and Silver Bow – having significantly higher per capita income levels than the more rural counties. In all cases, per capita incomes have been rising over time, with significantly larger increases over the course of the '90s versus the previous decade of the '80s.

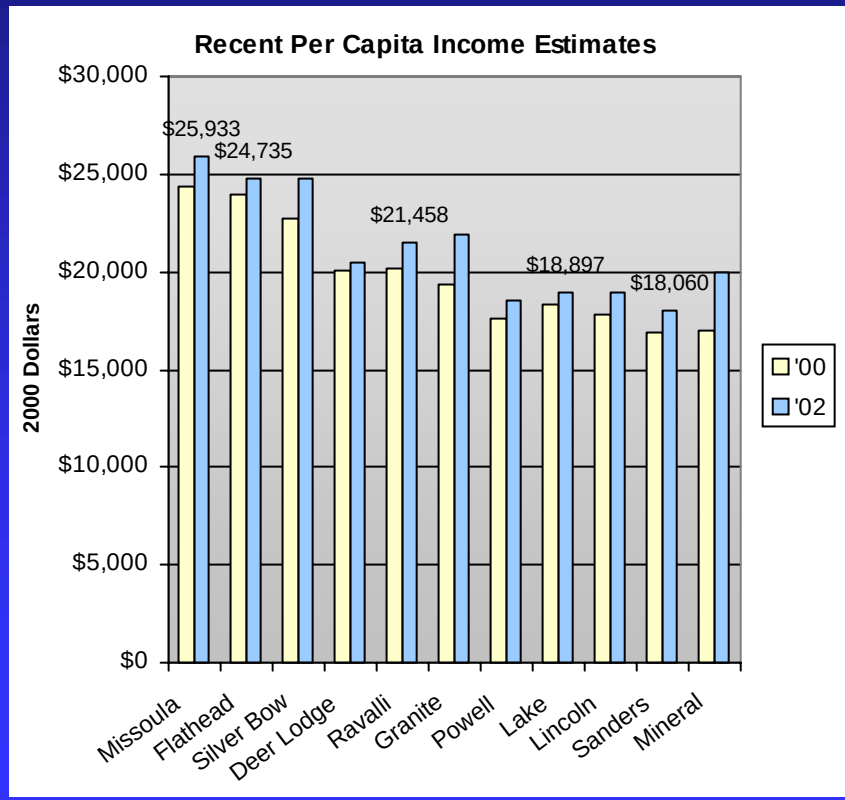


Changes in Area Economic Well-being in the Clark Fork Basin

After very little increase in the 1980s, area per capita incomes rose fairly sharply in the 1990s. Per capita incomes are higher in regional centers than in surrounding closely-linked counties, as is the case in the basin area. In 2000 area per capita incomes ranged from a high of $24,700 in Missoula County to as low as $16,030 in Mineral County. The 2000 norm for regional center counties in the West in the same population range as Missoula was $23,700. The norm for slightly smaller regional center counties like Flathead and Silver Bow was $22,900. The norm for surrounding closely-linked counties like area ones was $19,900 (Code 42, Tiers 8 and 9).

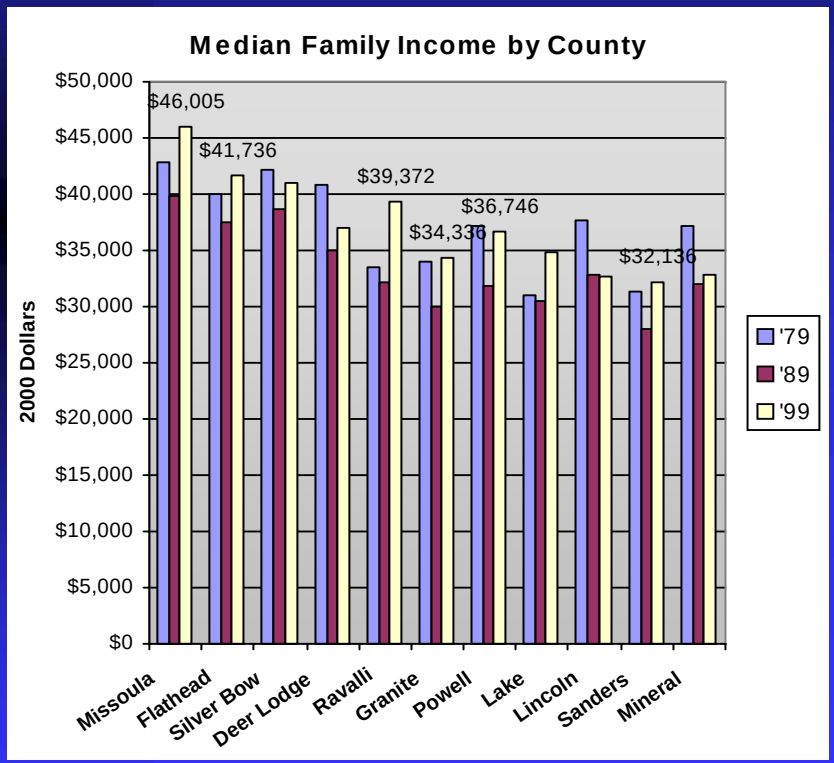


Missoula County's per capita income is higher than the norm found in similar regional centers in the West. Flathead's per capita income also is higher than the norm, while Silver Bow's is slightly less. Except for Deer Lodge and Ravalli Counties, per capita income levels in all of the surrounding counties are relatively low and significantly lower than the norm for peer counties in the West. More recent data show that area per capita incomes are continuing to rise, in inflation-adjusted dollars, and this is a positive trend.

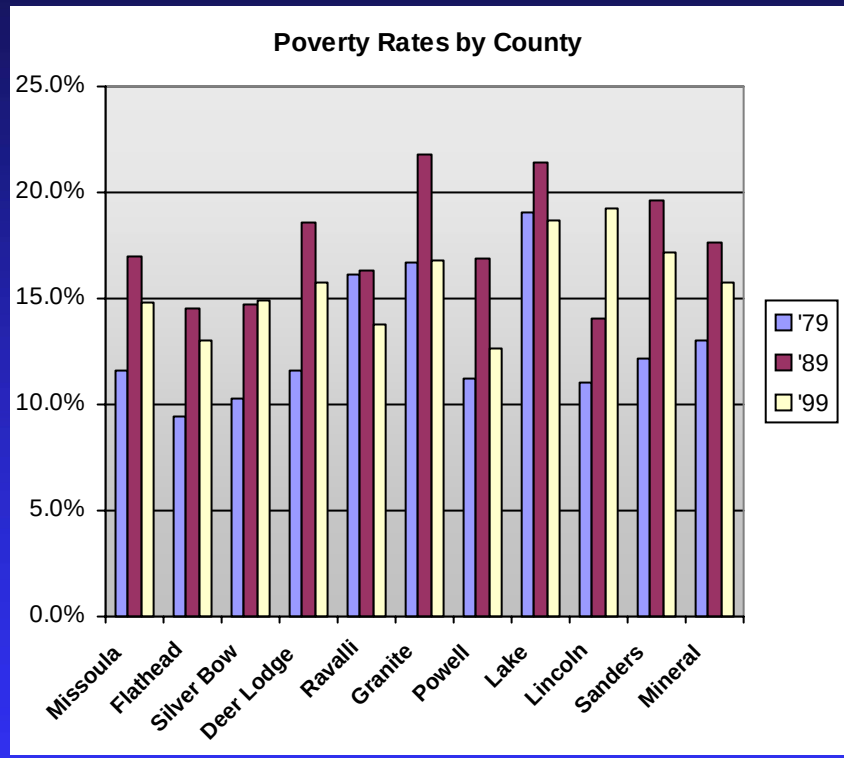


Improvements in Area Median Family Income and Poverty Rates

Area family incomes are surveyed as part of the ten-year population censuses. Median family income is the income level exactly at the middle among area families, with an equal number of families with higher incomes as the number with lower incomes. Median incomes fell in all of the counties during the 1980s, but rebounded significantly in the 1990s.



Missoula has the highest area median family income at $46,005, followed by Flathead with $41,736. Sanders has the lowest at $32,136. The norm for regional centers like Missoula is $43,800. The norm for smaller regional center counties like Flathead and Silver Bow is $41,750. And the norm for surrounding closely-linked counties like those in the area is $40,500. While the area's regional center counties compare very favorably with peer areas in terms of median incomes, surrounding counties do not do as well.



The poverty rate nationwide in 1999 was 12.4% and 14.6% statewide. Poverty rates in the area rose considerably in the 1980s, exceeding 20 percent in two of the counties. They declined more recently area-wide, but poverty rates remain at relatively high levels, ranging from as low as 12.6 percent in Powell to as high as 19.2 percent in Lincoln. Peer areas throughout the West have poverty rates anywhere from 13 to 16 percent.

Lessons to Learn in Planning for Your Economic Future

Become "Learning Communities" Success requires adaptation and adaptation requires learning at the community level. Understand the past and continuing "story" of economic change in your region and in your community. Learn what can make a difference by paying attention to key initiatives of regions and communities like yours that seem to be "prospering." Do periodic area economic "peer reviews".

Look Forward Catch up with change. Don't try to grasp the future by viewing it through the rear-view mirror. Promising strategies for economic improvement must reflect where the economy is going, not where it has been.

Think about "Regional Positioning" A community or region cannot remake its economy. But you can find ways to better position yourself – your businesses, schools, families, work forces, governments, etc. – for future change. Anticipate future change and attempt to better position yourself for that change.

Customize Strategies Needs, opportunities, and values vary widely from place to place. Goals and strategies must likewise vary. Sub-state areas must develop leadership and intelligence in areas of economic development.

Community Quality Matters Recognize that the quality of your community matters in how you may grow and prosper. Invest in community livability. Leadership within city regions must take much of the lead in devising key strategy elements for economic improvement.

Urban-Rural Relations Matter Healthy working relationships between cities and their surrounding communities are important. Pursuing economic development town-by-town, county-by-county is often self-limiting. Influencing local economic conditions sub-region by sub-region utilizing urban-rural regional partnerships has potential.

The Environment as a "Key Economic Asset" For many areas of the West, the environment is quickly becoming their chief economic asset. Protecting this asset is not the enemy of economic improvement. Protecting key environmental assets and qualities as you grow has become an economic imperative for many western communities. "Don't kill the goose that is laying the golden eggs."

Human-resource Based Economy In our history, we have known how to invest in natural resources development. But in this new economy, we don't always know how to invest in human resource development? Well-designed, well-funded, adaptive systems for education and work force development (lifelong) are essential for economic prosperity.

Framework for Community Economic Success in the West

Project your community into the larger region Understand the role your community plays in the economy of the region and fast-growing Rocky Mountain West. Develop a vision for what you want your place to be and pursue it in strategic and deliberate ways.

Attend to Key Foundations for Future Economic Success To be a place of "quality" you must have**:**

-**Quality Infrastructure**: streets, water, sewer, air service, schools, parks, neighborhoods, office buildings and complexes, business centers, educational facilities, downtown, etc..
-**Quality Workforce**: adaptive well-stratified workforce, with access to good training and a quality education system more generally – tailored to the particular needs and opportunities of area employers.
-**Quality Businesses:** forward-looking, entrepreneurial with adequate and timely support (business planning, capital, workforce training, etc.)

Frame and Design Strategies and Programming around Economic "Clusters" Stratify current and potential employers in the area into "clusters" and customize workforce and business assistance strategies for each cluster.

Adapt to Changing Area Age Demographics Recognize the "ebbs and flow" of population growth across differing age groups and factor these into plans for housing, health care, school enrollment, workforce development, etc.

Chart and Assess Your Progress using "Peers" Understanding change in your own community requires understanding change in the larger region and among places and regions like yours.

Establish a "Community Development Roundtable" – Key public and private leadership in the community, extending across business assistance, education, workforce development, infrastructure, and city planning, regularly meeting in order that a multi-faceted approach to development and change can be developed, inter-coordinated, and pursued.

Build Healthy Urban-Rural Partnerships for Progress in the Region The futures of Idaho's major cities and their surrounding communities are inextricably linked. You have a common future and can best influence that future by working together.

What increasingly really counts in local area economic development in this new economy?

The Quality of your community .. infrastructure, schools, neighborhoods, commercial development, streets, parks, arts and cultural amenities, identity, energy, vitality, multi-dimensionality, visual appeal, surrounding environs, …

The Quality of your work force .. diverse, appropriately educated, and adaptive with training and education opportunities at all levels and nearby multi-faceted, well-delivered programs in workforce development

The Quality of your surrounding environment .. not just parks and attractive, well-planned neighborhoods, downtowns, and commercial districts, but landscapes and natural amenities like streams, lakes, mountains, forests, open spaces, etc.

Even though most forces driving larger patterns of change in the economy are supra-community in nature – technological change, transportation developments, new products, major demographic shifts, etc. - so much of what really counts in area economic vitality .. is within the reach of community leaders and decision makers. .. they can help create and sustain the types of positive attributes that attract, nurture, and stimulate economic energy and vitality and the conditions for economic improvement over time.

Montana Counties Rank-Ordered by Per Capita Income

The chart shows how per capita income in 2003 varied across Montana from the county with the highest p.c.i. – Yellowstone at 27,390 (2000 dollars) – to the county with the lowest p.c.i. – Petroleum at $15,160.

Of the 13 counties with per capita incomes greater than $24,000, seven are regional center counties or counties in Montana where one of the state's seven major population centers is located.

Of the 16 counties with per capita incomes less than $19,000, five are reservation counties (Big Horn, Blaine, Glacier, Roosevelt, and Lake).